

£28m subsidy to win £115m Polish ships order

The Government gave a subsidy of £28m to gain the order to build 24 ships for Poland at a cost of £115m, Mr Varley, Secretary of State for Industry, told the Commons yesterday. He said it had averted disaster for the British shipbuilding industry.

Tories say Britain was 'taken to cleaners'

By Hugh Noyes
Parliamentary Correspondent
Westminster

Mr Varley, Secretary of State for Industry, confirmed in the Commons last night that the Government gave a £28m subsidy to gain the controversial order to build 24 ships for Poland at a cost of £115m.

After weeks of pressure from in and outside Parliament to disclose details, he told MPs that the order had been gained for the British shipbuilding industry but had not yet provided the cure. It was achieved when shipbuilders around the world were righting to stave off collapse.

A Conservative "censure of the Government" over the matter, on a motion to reduce Mr Varley's salary by half, was rejected by 295 votes to 245, a government majority of 49.

At the start of a debate on the order, Mr Varley told MPs that the state-owned British Shipbuilders would provide finance to a joint Polish-British company through a £65m loan raised from a consortium of bankers without government guarantee. He emphasized that it was not provided through public funds but was borrowed on the commercial market.

There was also a guarantee by the Export Credits Guarantee Department, but that was a normal part of any export transaction. It was not more than 70 per cent of the export price.

The arrangement provided for the ships to be sold by British Shipbuilders to a company to be established in Poland, which would be jointly owned by them and the Polish Steamship Company, PZM. The company would charter the ships to PZM for periods of 15 to 15 years.

As charged and condemned by the Conservative spokesman on trade, accused the Prime Minister of being willing, for the sake of the love of one Labour marginal seat, to ski down Everest in the nude with a carnation in his mouth. Angry Labour charges that the Conservatives were trying to wreck the agreement were met with opposition gibe that the Government was being taken to the Polish cleaners.

Air Michael Grylls, Tory for Surrey, North-west, said it was supreme folly to

subsidize the merchant fleet of the communist world so that it could compete against our own fleet.

Mr Varley, accused as the target of having as their target the livelihood of every shipyard worker in Britain.

Mr Nott replied that the Polish deal stacked of hydro-

carbonates in large scale.

The Government, he said, was lecturing the Japanese and the French over their methods of handing out credit in international dealings and yet was extending the frontiers of shipbuilding credit and protection beyond those so far used in any other country.

Mr Nott said the Government's excuse for the Eurobond issue, which was the most pernicious part of the deal, was that it was purely private financing in the market by British Shipbuilders. That argument was wholly spurious if not dishonest.

It was a means of indirectly guaranteeing the Poles of the British Government. The whole world knew that British Shipbuilders were in control of the Government and that British government credit had enabled the money to be raised. Mr Nott concluded that the Government was acting in alliance with the Soviet merchant fleet, which was using its own ships all over the world to spread communism.

Mr Nott's speech was a defence of the deal and exposed the efficacy of the intervention fund, established to narrow the gap between British and foreign yard prices.

Mr Nott, however, would give details of the financial or chartering terms, confirming that detailed information would hinder British Shipbuilders in securing orders at a time of strong competition.

Mr Varley said the Government had been determined that Britain should not become the prisoner of overseas ship suppliers and that had been a big factor in establishing the fund. So far this year the fund had been used to secure orders for 48 ships, 24 from Poland, 20 from British owners and four from other foreign owners.

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Information and advisory services are to be set up and a campaign is to be launched to persuade motorists to maintain their cars and drive them more economically.

Mandatory measures have not been ruled out, such as the possibility of tax increases. The option would be to link car excise licence charges to engine capacity.

Talks have begun with the motor industry on manufacturing more efficient cars. Mr Bean said that the starting point for the discussions was a target of 35 miles a gallon.

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Measures to save energy introduced by Mr Benn

By Edward Townsend

Important energy conservation measures covering the next decade, which will cost £321m in the first four years, were announced yesterday by Mr Benn, Secretary of State for Energy.

The Government clearly expects its initiative to encourage private industry and commerce as well as householders to increase energy-saving and that, coupled with the new government plan, could save the nation about 2,000t a year by the end of the 10 years.

Mr Benn outlined the 11-point programme in the Commons, emphasizing that to achieve the potential savings in fuel will depend in large part on how far the private sector can go. We have embarked on in the public sector. Higher energy prices make conservation good sense for everyone.

Among the measures, which will provide new jobs for the building trades, are better insulation for more than two million council houses; better heating systems in schools and colleges; the consideration of new building regulations; discussions with the motor industry to find ways of raising car mileage for each gallon of petrol; and the introduction of energy conservation devices within the Department of Energy.

Mr Benn said that of the total to be spent in the next four years £165m would be an additional allocation of public money for energy conservation. £93m would come from the department's present programme, and £52m would represent reinvestment of funds saved during the first four years.

Present policies, he said, had contributed to energy savings worth an estimated £200m over the past four years. The new measures would involve extra public spending of about £85m in 1978-79 rising to more than £80m a year in the next three years.

The Property Services Agency is to increase its emphasis on the state's civil and defence estates at a cost of £5m a year, with a total of £35m being spent on insulation and heating controls in National Health Service buildings.

Education buildings will get £10m in the coming year and £20m a year for the next three years for a similar programme: local authorities will get up to £7m a year for energy saving schemes in buildings other than schools, flats and houses.

The council house scheme will cost £225m a year for the next three years. The spending will be eligible for government housing assistance.

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China may have seen the star of Bethlehem

By Clifford Longley
Religious Affairs Correspondent

The star of Bethlehem, hitherto known only from the second chapter of St Matthew, has come back to light as a result of a search by Three Wise Men from the West through the pages of ancient Chinese and Korean astronomical records.

They were looking for long-ago heavenly happenings in the hope of finding something interesting to observe: they found reports of a sudden bright star just about in the right place at the right time to have been the star of Matthew II.

The three are astronomers: Mr Brian Parkinson of the Mullard Space Science Laboratory, Dorking; Mr Richard Stephenson of Newcastle University; and Mr David Clark of the Royal Greenwich Observatory. Mr Clark, a New Zealander, has worked at the Anglo-Australian telescope in Australia, and it was his interest in mapping the southern constellations that led them to Chinese and Korean documents.

A paper in the December edition of the *Quarterly Journal of the Royal Astronomical Society* they explain that Far Eastern astronomers were the best in the world two thousand years ago. If something strange did occur in the skies at that time they would almost certainly have seen it and recorded it.

Some of those records have been translated and republished, and a search of those available produced two positive sightings. In the *Astronomical Record of the History of the Period of the Han Dynasty* (the Chien-han-shu), they found the entry: "Second year of the Chien-ping reign, period, second month, a hu-hsing appeared at Chien-nu for over 70 days."

As it was apparently stationary it could have been a comet, and the period for which it was observed would be typical of a nova, a so-called new star that is in fact a runaway thermonuclear explosion on the surface of a white dwarf in a binary system.

Then on the *History of the Three Kingdoms, Chronicle of Silla* (Songoku Soga), which comes from the beginning of Korean recorded history, they found the entry: "Fifty-fourth year of Hyokko Wang, second

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Jockey club elects its first woman members

By Anabel Ferriman

The Jockey Club, an all-male preserve since its foundation in 1752, elected three woman members yesterday. The club, which is based in Britain, took the decision at its winter meeting in London.

Although it has never had any rule to exclude women, no woman has been proposed and seconded before.

The three women chosen are Lady Halifax, Mrs Priscilla Hastings and Mrs Helen Johnson Houghton.

Lady Halifax owned until last year the Swynford Paddocks Stud at Newmarket. She is on the management committee of the National Stud, is a past chairman of the Warsaw Pact forces and was one of the first women to be appointed a focal steward.

Mrs Priscilla Hastings, a half-sister of Lady Halifax, is a successful breeder, a council member of the Thoroughbred Breeders' Association and a council member of the Racehorse Owners Association. Mrs Johnson Houghton trained the winner of the Two Thousand Guineas.

Mr Simon Weatherby, secretary to the Jockey Club, said yesterday that the time was right for the election of women to membership. When Lord Howard de Walden took office as senior steward about 18 months ago he was determined that the question should be considered.

The subject had been debated for the past year. Mr Weatherby thought that now the tradition had been broken other women would be proposed to hold office.

The club's 103 members are responsible for electing stewards to administer and control the rules and discipline of racing. Women will now be eligible for election to those posts.

The Lady Jockeys' Association yesterday welcomed the news as a "positive step."

Women were given the right to hold licences as trainers in 1966, to ride as amateurs on the flat in 1972, and to ride as professionals in 1975. Last April Miss Charlotte Brew became the first woman to ride in the Grand National.

Mr Michael Grylls, Tory for Surrey, North-west, said it was supreme folly to

Nato secrets among at least 1,000 'betrayed by Bonn spy ring'

From Patricia Clough

London, Dec 12

Vital and wide-ranging West German and Nato military secrets are believed to have been passed to East Germany in what is regarded as one of the biggest military espionage cases in West German history.

The Defence Ministry confirmed today that more than 1,000 of its top secret documents appear to have been

photocopied and smuggled to East Berlin.

The documents will have given the Warsaw Pact comprehensive information about the structure and state of the West German armed forces, their future plans, their crisis and stand-by arrangements and their knowledge of the state of the Warsaw Pact forces.

About one-fifth of the documents concern Nato and include evaluations of Nato's secret "Winter" staff exercise in 1975. Much concern

is given to Nato's emergency fuel plans and docu-

ments and regulations on armaments.

Dr Rebbmann said that "serious things" including state secrets had been betrayed. He did not elaborate.

The Defence Ministry described the case as "serious" and a spokesman said that according to investigations so far, it "seems to be one of the most serious ever to affect the Bundeswehr (armed forces)."

A special commission has been set up in the Defence Ministry to evaluate the consequences.

Dr Manfred Wörner, the chairman of the parliamentary defence committee, called on Herr Georg Leber, the Defence Minister, to report fully on the case at a specially convened meeting of the committee on Wednesday.

Speakers for the opposition Christian Democrat Party described the affair as "unparalleled" and said that if the report was true it should have consequences "in the top ranks of the Government".

The principal figure in the affair appears to be Frau

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Lady Spencer-Churchill dies suddenly, aged 92

Cadbury can raise price of cocoa by half

By Hugh Clayton

Cadbury is to be allowed to raise the price of cocoa by half even though the company is covered by a freeze imposed by the Price Commission. It is also to charge extra for drinking chocolate, jellies and chocolate biscuits.

The Price Commission said last night that Lady Spencer-Churchill was the perfect partner for Sir Winston.

Mrs Thacher, Leader of the Opposition, said: "It was with great sorrow that we heard of the death of Lady Churchill. Sir Winston was the first to acknowledge how much he owed to her for her tireless support.

Their partnership was legendary over the world. She upheld everything we hold most dear."

Lord Thorneycroft, chairman of the Conservative Party, said countless people in every walk of life would be saddened. She made her own outstanding contributions to the life of the nation in both war and peace.

Sir Evelyn Shuckburgh, chairman of the British Red Cross Society, paid tribute to her work during the Second World War as head of the Red Cross Aid to Russia Fund, which raised £5m for medical supplies.

A pound tin of cocoa will rise from £1.29 to £1.95. The last rise was in July, when it

marmalade and Smash instant mash, are not affected.

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HOME NEWS

Inquiry into working of the Prevention of Terrorism Act

By Stewart Tender
Home Affairs Reporter
Mr Rees, the Home Secretary, has capitulated to critics of the Prevention of Terrorism Act, 1974, and agreed to hold an inquiry into the efficacy of the Act and its effects on civil liberties.

Announcing the inquiry yesterday, he made it clear that he has no intention of getting the Act repealed while violence by the Provisional IRA continues. In a Commons written reply Mr Rees said he had promised last March, when the Act was renewed, as it was to be every 12 months, to consider an examination of it.

He now felt the time was ripe and had appointed Lord Shackleton, the former Labour leader in the Lords, to conduct the inquiry. The brief covers not only the mainland but also Northern Ireland, where the question of the use of the Act has become bound up with allegations of police brutality.

It was suggested in some quarters yesterday that the Northern Ireland Office had at one stage resisted the extension of the inquiry into Northern Ireland but had been foiled. The Home Office and the Northern Ireland Office denied that there had been any difference of opinion over Lord Shackleton's brief.

He will find before him an Act that was rushed through Parliament in the autumn of

1974 after the Birmingham public house bombings. Its main provisions make the IRA a proscribed organization; give the police power, with the agreement of the Home Secretary, to hold a suspect for up to seven days; and allow the Home Secretary to exclude suspects either from the British mainland or from the whole of the United Kingdom if they are not British citizens.

The last two provisions have brought protests, and the National Council for Civil Liberties has prepared reports examining the workings of the Act in the light of case histories.

Earlier this year the council condemned the Act as being ineffective in stopping terrorism and destructive of civil liberties. Miss Patricia Hewitt, the council's general secretary, said yesterday that she welcomed the inquiry, to which the council would submit evidence.

Since the Act came into force 3,107 people have been detained and 599 of them for the full period of seven days. One hundred and ten exclusion orders were made, of which 95 were carried out. The orders were made in 10 cases, and the five others concerned people who were already outside the United Kingdom.

Eighteen people have been charged with offences under the Act and 315 people have been charged with other offences.

Tories help ministers on Euro-Bill

By Fred Emery
Political Correspondent
The Governor's attempt to confect by Christmas the method of election to the European Assembly was resumed in the Commons last night. In fact there is so little time before the House rises on Friday for the holiday that the dish should be pressure-cooked by early to-morrow.

At Westminster the betting is still that it will turn out to be traditional fare, with the House substituting the first-past-the-post method for the Bill's exotic recipe: the regional list system of proportional representation.

Lobbies for, delaying tactics against, and other stratagems were in evidence as the debate resumed yesterday evening.

Such was the Conservatives' need to prove their Europeanism that only a few minutes after castigating the Government over the Polish ship deal they had contributed to the Government half a day more for discussion, the better to foil the anti-Marketees of all parties who would like to scrap the Bill.

Last night, the Government first had to watch the committee debate continue over clause one of the Bill before Mr Rees, Home Secretary, could move that clause three should be considered before clause two.

Debate was thereupon deferred on that motion. Only with its successful passage, not expected before early today, could the Commons debate clause three and amendments to it, at the start of business today.

Clause three provides for electing the British European Assembly members (whose number is specified as 81 in clause two) by the proportional representation system set out in clause four, part two, namely the regional-list system.

However, clause three, section two, would authorize the House, by subsequent resolution, to replace the regional list for the simple list system in Great Britain, leaving Northern Ireland with its present proportional representation system, the distinct, single transferable vote.

Nine amendments have been tabled so far, variously wrecking, or altering clause three to make the traditional list mandatory.

The Government, which has recommended the PR system of election by including it in the Bill, is, like the Conservatives, supposedly permitting a free vote.

The Liberals, for whom PR is a last chance, are hoping that Mr Callaghan has made clear that he will disapprove strongly if any of the hundred-odd "pavilion" votes of ministers and junior ministers vote against PR.

But there is little confidence anywhere among the PR advocates that it will be carried. On the opposition side, senior Conservatives believe that their members who favour PR will not produce even a third of the 281 MPs. However, several members of the shadow Cabinet are said to be certain to vote for PR.

Our Political Correspondent writes: Mr Heath and Lord Howe of the Herts tried last night to persuade Conservative MPs, against the official party line, that the best way of ensuring that the European direct elections are held on time is to vote in favour of PR in the Commons.

Mr Heath, speaking at a private meeting of MPs, said that, faced with the choice of two bad systems of election, "our main task is to maintain our position in Europe as a European party".

That could be done only by supporting the regional-list system.

Lord Howe said the regional-list system offered the best chance of meeting the deadline, though the choices were not to his liking.

Most of the speakers, however, favoured the first-past-the-post system.

Pit swing in favour of incentive schemes

By Ronald Kershaw
Northern Industrial Correspondent

A swing in favour of incentive bonus schemes showed yesterday in coalfields throughout the Midlands and the North despite the national ballot result which had a majority known.

Fellow managers thought of him as the principal of an educational establishment, and some players, and certainly the press, sometimes felt he enjoyed keeping them at the back of the class. He was, most people said, a very technical man.

In the few months that he spent as temporary manager of England until his full appointment yesterday he broke through several barriers not least that between himself and the press.

On one recent chaotic afternoon at an Italian airport that was bursting with passengers all seemingly on stand-by for London, he finally admitted to realizing how much was

involved in the work of the press. From that moment the relationship improved, and those of us who listen to his sometimes obtuse lectures that begin as press conferences now try to remember that he once said: "Soccer is a simple game but it demands an awful lot of hard work to make it simple".

He is not, and never will be, one of the boys, curling football's ills by courtesy of hotel room service in the early hours after matches. He prefers daylight and green grass. "My happiest moments are sitting on the touchline watching players carry out rearranged tactical moves," he said, but his ideal footballer is a master of basics who improvises like a jazz musician.

At 53 he is late upon the international scene, though in one way he has never been anything but international in spirit, even if his only playing cap was for the England B team. He has travelled to the Continent at every opportunity and there he studies teams that,

Man in the news: Ron Greenwood, English football's new leader

Technician of international spirit takes over

By Norman Fox
Football Correspondent

Ron Greenwood, whose appointment as manager of England's football team until 1980 was announced yesterday, was not always an obvious choice. In his 17 years as manager of West Ham United he was respected rather than known.

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Cup Winners' Cup the next year.

More flamboyant candidates caught the attention when England needed to appoint a manager in 1974 and, indeed, by then he seemed to be moving towards a quiet, early retirement. John Lyall, his assistant, was appointed team manager.

He serves on the technical committee of Fifa, the international governing body, yet last summer, when Don Revie resigned, his name was not among those first thrust through headlines at the FA selection committee.

The fact that the FA officials were offended by Mr Revie's defection convinced them to seek a man better known to them. From the day he was appointed temporary manager there was really no doubt that he needed only to avoid notorious defeats in his trial period. Beating Italy at Wembley was a pass with distinction.

West Ham, with a tradition of building on its own products, suited its outlook and, despite the club's limited resources, he took it to victory in the FA Cup of 1984 and the European

Retrial for stuntman over plea bargain

By Craig Seton

A retrial was ordered by the Court of Appeal yesterday for a man serving a sentence of two years and nine months, who was involved in a plea-bargaining case. The court held that after a meeting between his counsel and the judge at his trial, the man pleaded guilty under pressure, expecting to gain a non-custodial sentence.

Lord Justice Waller, sitting with Mr Justice Talbot and Mr Justice Miles Jones, quashed the conviction and set aside the sentence imposed at Middlesex Crown Court on November 5 last year on Michael ("Rocky") Ryan, aged 37, a former film stuntman, who had been charged with damage to a car and assault on two activists at a London store.

Ordering high priority for the retrial at Middlesex Crown Court, Lord Justice Waller said the case showed the dangers involved in seeing a judge before sentencing and his indicating what sentence he might impose.

Mr Ryan's appeal was sponsored by the National Council of Civil Liberties. It was the third case in six days in which the Court of Appeal has criticized plea-bargaining.

The Court said that Mr Ryan of Norden, London, would be remanded and the issue of bail adjourned pending inquiries on the speed with which the retrial could take place.

Mr Peter Thornton, QC, for Mr Ryan, said his client had served 13 months of the sentence. He submitted that Mr Ryan's pleas of guilty were a nullity, as he had not had a free choice in changing his pleas from not guilty.

The court was told that Mr Ryan pleaded guilty on September 5 last year after a meeting between Mr Brian Calwell, the deputy judge, and Mr David Farrington, his counsel. After two adjournments involving six medical reports, he was jailed for a year for the protection of the public.

Lord Justice Waller said that on September 6 Mr Ryan pleaded not guilty and instructed his solicitor and counsel accordingly.

Counsel and the judge met and afterwards Mr Ryan changed his plea to guilty.

Lord Justice Waller said the court was satisfied that Mr Ryan intended to plead not guilty, that he feared a custodial sentence, and that his counsel indicated, from his discussion with the judge, that if he pleaded guilty there would not be a custodial sentence.

The judge's reluctance to accept an offer that gives no more than 10 per cent as an immediate rise has been increased by the insertion in the local authorities' proposals of three further conditions.

They are that no action should be taken against firemen who ignored the strike call; that duties such as fire protection visits, which he will love every minute of it,

will be increased in the mind all the relevant information before passing sentence.

It was not a case where the deputy judge was putting on pressure. It was done with the best of motives.

Taxi-cab costs to be investigated

Taxi-cab services throughout Britain are being referred to the Price Commission.

The examination, including prices, costs and margins, will cover hackney carriages, whose charges outside London are controlled by local authorities, and private-hire vehicle services, such as mini-cabs.

Lift strike lingers

The lift engineers' strike may not be over completely, although their union has officially ended the stoppage. Some of the 1,000 thousand strikers have decided to continue the strike officially.

Crash hay is awarded £52

Correction

City loses

Housing subsidies 'bring little benefit to worst off'

By Our Planning Reporter

In a rare venture into the political arena, the Royal Town Planning Institute today calls on the Government to phase out housing subsidies. Changes in taxation, allied to increased rent rebates, would lead to greater equities in public spending, it says.

The intimacy of the place has passed, she says, impossible to sustain with a graduate population of 1,500. The one-year MSC course, "this thirst for degrees", has undermined the old academicism, which, passing she regrets.

There is a touch of nostalgia about her during the last weeks in office. She feels she has witnessed the great days of the school, the era of Robbins, Tawney and Titmuss, but "hopes and prays" they will return.

From January 1, as LSE's external relations consultant, she will be off, trying to assist the renaissance, rushing round the world raising money and twisting great men around her little finger. As always, they will love every minute of it.

trial benefits to the well-off, but very few to the worse-off.

The institute argues that rebates and allowances are not necessarily adequate to meet the shortfall between costs and income; that the take-up rate on allowances is only 35 per cent in private unfurnished tenancies and probably lower still in furnished ones; that rebates are only about 60 per cent of rent increases; that the rapid decline in the private sector cannot be compensated for fully by the public sector; that the income tax relief system will ensure that owner

occupancy remains out of reach of those on the lowest incomes; and that some landlords are denied access to adequate rented housing, since homelessness is a fact.

The private rented sector must form part of any debate on housing finance, it says, and its decisions must be made by greater diversity in local authority allocation policies.

The institute also urges the Government either to underestimate mortgages or in some way to ensure that building societies fulfil their social obligations.

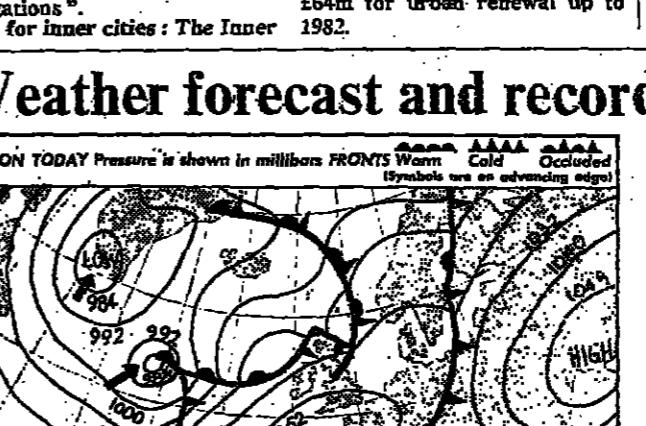
Help for inner cities: The Inner

Cities Bill, giving local authorities greater powers to assist industry, will be published on Thursday, Mr Shore, Secretary of State for the Environment, said yesterday. Among other things it will provide for 90 per cent loans for land purchase, further loans for site clearance, grants to assist with rents and the declaration of industrial improvement areas.

The minister was speaking after a tour of the London docklands, to which the Government has so far committed about £64m for urban renewal up to 1982.

Weather forecast and recordings

NOON TODAY Pressure is shown in millions FROM: WMO. Symbols are an advancing area.



HOME NEWS

Better fire safeguards for nuclear dump

British Nuclear Fuels will probably take steps to improve fire-detection equipment at its disposal dump for solid low-level contaminated waste at Drigg, Cumbria. The dump is near the company's Windscale works, where a fire on September 25 was extinguished in two hours by the works fire brigade.

Mr Roy Pilling, general manager, said yesterday that monitoring on and off the site had confirmed that no radiological hazard had arisen. Formal investigation into the cause of the fire had not been concluded.

Mr John Doran, deputy general manager, said improved fire-detection equipment was being considered. "At present there are infra-red detectors across the face of the tip, and we think we can get improved devices in an earlier warning." That could be done at slight cost. A report on the matter had not yet been completed.

A press conference was called to discuss issues that had arisen at a recent meeting of the Windscale local liaison committee. The committee meets in private, and its effectiveness as a public watchdog was questioned at the public inquiry into the company's planning application for oxide-reprocessing at Windscale.

Mr Justice Parker, the inquiry's inspector, Mr Justice Parker, are expected soon. The committee intends to give early consideration to any changes that the report requires in its role.

"It would be inappropriate to await publication of the inspector's report before taking any decision. It would be silly trying to anticipate what the inspector is going to say," Mr Pilling said.

Brixton officer suspended after allegations

By Our Home Affairs Reporter

A prison officer at Brixton has been suspended after allegations by a recently released prisoner that drugs, including cannabis and heroin, have been supplied to prisoners.

The officer was suspended last week after the former prisoner had talked to Scotland Yard's drug squad. It is alleged that considerable sums were paid for the deliveries and that staff were offered introductions with young women who supply the drugs.

Police officers have interviewed staff, prisoners and two young women who met the suspended prison officer at a rendezvous watched by the police.

Brixton is a centre for prisoners on remand awaiting trial at courts in London.

Crash boy is awarded £52,500

Michael Cufley, aged 11, who was knocked down on a pedestrian crossing by a sports car was awarded £52,500 agreed damages in the High Court yesterday.

The boy, of Glen Road, Thundersley, Essex, suffered brain injury and had become a danger not only to himself but to society, Mr Norman Irvine, QC, his counsel said.

Correction

The regional conferences being sponsored by the Personal Social Services Council are concerned with their reports on residential care; not intermediate treatment, as stated on Friday.

City loses shoppers for lack of car parks

As this ill-tinted month proceeds, Manchester retail traders fear that there will be more evidence before Christmas of the city losing its place as one of Europe's foremost shopping centres.

Most traders believe that the planners of the past, who thought that shoppers could be persuaded to park conveniently with their cars, are to blame for what they see as an increasingly serious decline in business. The planners, they say, failed to recognise the threat to the city centre of competition from neighbouring towns where provision for car parking is plentiful and cheap and where shopping has improved beyond anyone's earlier expectation during the past five or six years.

Mr Cyril Lloyd-Jones, president of the city's chamber of trade and manager of one of its biggest stores, says his organisation has encountered disbelief among members and officials of both Manchester City Council and Greater Manchester County Council that trade really has been failing off, but that he now has statistics to prove it.

His biggest hope is that the city council will at least introduce a "parking meter amnesty" for Saturday mornings in time for the Christmas peak period. Manchester parking meters, which carry increasing charges the nearer you are to the city centre and which are enforced by one of the most conscientious teams of parking wardens in Britain, remain operational until lunch-time on Saturdays.

Although comprehensive statistics are almost impossible to collect, Mr Lloyd-Jones says that confidential figures supplied by individual companies belonging to his organisation show that retail trade in the centre of Manchester has increased only two and a half

The Moon cult: 2: Members in Britain number between 450 and 600

Converts sell pot plants, magazines or stationery

By Diana Part
The Unification Church a fringe religion or a business network?

It enjoys charitable status in Britain, registered under the names of the Sun Myung Moon Foundation and the Holy Spirit Association for the Unification of World Christianity. Its leader, Mr Moon, controls an international business empire earning about £6m a year.

The Moonies, according to the teachings of this little known but rapidly expanding sect, is already on Earth. The fact is, it is living in luxury. His organisations are multifarious and have at least 77 different names, among them the two heavily right-wing newspapers, *News World* and *Rising Tide*.

Sun Myung Moon was born in Korea and has married twice. The movements of which he is leader is overtly political in the United States and gave vigorous support to Richard Nixon in the aftermath of Watergate. Mr Moon claims 100,000 converts and 7,000 core members for the sect. His organisations include business, health, companies, cultural and educational foundations, newspapers and magazines and a political wing, World Federation for Peace and Unification.

Numerically and politically the Unification Church in Britain is a pale shadow of its American counterpart. Its converts are few and far between. The press conference was called to discuss issues that had arisen at a recent meeting of the Windscale local liaison committee. The committee meets in private, and its effectiveness as a public watchdog was questioned at the public inquiry into the company's planning application for oxide-reprocessing at Windscale.

Mr Justice Parker, the inquiry's inspector, Mr Justice Parker, are expected soon. The committee intends to give early consideration to any changes that the report requires in its role.

"It would be inappropriate to await publication of the inspector's report before taking any decision. It would be silly trying to anticipate what the inspector is going to say," Mr Pilling said.

Tory party is 'all-in school's best friend'

By Our Education Correspondent

The best friend of the comprehensive school is the Conservative Party, Mr St John-Stevens, spokesman on education, says in a party policy document published today. The Labour Party, he adds, "may fairly be said to have behaved as the enemy of the comprehensive school".

The 52-page document outlining the Conservative approach to comprehensive schools has been put together after three years of consultation with party workers and educationists. Mr St John-Stevens said as a press conference yesterday. It is based on a draft by Mr Paul Williams, education correspondent of the Sunday Telegraph.

Mr St John-Stevens said it was intended as a contribution to the next Conservative government would not try to unscramble comprehensive organisation but would seek to improve it and to ensure that it really did work for all children.

The document says Conservatives want a system in which each comprehensive school is free to develop its own character, so that some schools may specialize in mathematics, others in languages, others in sport. Some may provide exceptionally good pastoral care for difficult children; others may have an above-average remedial department.

Parents should be able to send a child to the school of their choice. That might cause some schools to be oversubscribed.

Backing for truant units

The General Teaching Council for Scotland yesterday backed a proposal for day units to be set up in Scotland for difficult pupils and persistent truants.

Under the proposal, made in August by an official committee of inquiry appointed by the Secretary of State for Scotland and headed by Professor Donald Pack, of Strathclyde University, the pupils would be picked up from home each day and taken to the unit for education, assessment and treatment, with the aim of eventually returning them to their normal schools.

In its evidence to the committee, which is the representative body for nearly 80,000 Scottish teachers, says the units could make a useful contribution.

A number of them should be set up on an experimental basis, and they should be under the direction of a teacher, with teachers forming a significant proportion of the staff.

Leading article, page 17.



Mr Henry Masters, who gave estate to Moon cult.

was kept short of sleep, fasted frequently and worked hard."

A spokesman for the Unification Church, Mr Michael Marshall, public affairs director, denies the brainwashing charge. He says:

"Brainwashing charges have twice been tested and rejected in American court cases. Judge Belson in September, 1975, in the District of Columbia Superior Court, ruled that there was no evidence to suggest that the UC practised mind control, or indeed any methods of proselytizing that were substantially different from those of other religious organizations."

Street selling is only one way of fund raising for the Moon sect, which also receives donations, sometimes substantial, and property from believers.

The biggest gift of property in Britain is the estate of Stanton Fitzwarren, Wiltshire, which includes two farmhouses, 600 acres of farmland, a post office and a mill, and has been valued at £800,000. That gift to the church was made by Mr Henry Masters, who was the squire of the village, and his wife, Avril. The couple, in their fifties, are converts to the Moon cult.

He added: "I believe my son was brainwashed, because although he did not like the doctrine and did not like the work, he still could not leave. He has told us he did not have time to think for himself. He

Mrs Rosalind Mitchell was a member of the Unification Church for only two months.

Next: Teaching

Final shaft site for Selby coalfield in doubt after noise objection

From Our Correspondent

Buckle of Selby District Council says that if the site is approved by the council, by supporting it now, may not be in a position to take possible future legal action against the coal board if noise exceeds permitted levels.

He recommends rejection of the chosen site, despite his own council's agreement in principle to it, on the ground that it would cause unacceptable annoyance and interference to people living near.

The officer, Mr Norman Buckle, of Selby District Council, says that if the site is approved by the council, by supporting it now, may not be in a position to take possible future legal action against the coal board if noise exceeds permitted levels.

He recommends rejection of the chosen site, despite his own council's agreement in principle to it, on the ground that it would cause unacceptable annoyance and interference to people living near.

Opposition at this stage is bound to surprise the coal board, which, after concessions to the environment, was

assured by a QC representing the district council at a public inquiry that no objections would be raised to the site.

Mr Buckle's concern over the proposed shaft site, 46 acres at Whitemoor Cliffe, is shared by local parish councils, and 22 residents who live within half a mile of it have signed a petition objecting to it.

His views are to be discussed at a meeting of the council's coalfield committee today when the coal board's planning application is considered. The council's recommendation will be submitted to North Yorkshire County Council.

£5,250 award to girl aged nine

Wendy Norris, aged nine, of Essex Close, Walthamstow, London, who lost an eye when a stone caught in a grass cutter flew up and struck her, was awarded £5,250 damages in the High Court yesterday.

She had not long started school when the accident happened in May, 1974, at the Edward Redhead School, Waltham Forest. The award was against the London borough of Waltham Forest.

In brief

Wage rise for hairdressers

Pay increases of between £2.50 and £4.50 a week for hairdressers were agreed by the industry's wages council yesterday. Charges to the customer are expected to rise by up to 15 per cent.

The pay increases exceed the 10 per cent guidelines but the National Hairdressers Association said the Government had no power to stop them because the wages council had statutory powers. A report by the Low Pay Unit yesterday said Britain's 135,000 hairdressers were the lowest paid workers in the country.

Picture-kisser freed

Mrs Ruth Ollie Van Herpen-Crocker of Andover Road, Newbury, Berkshire, who was said to have kissed a man at the Oxford Museum of Modern Art and left lipstick stains on it, was given a conditional discharge by Oxford magistrates yesterday after admitting criminal damage.

Shoplifter fined

Mrs Hamidah Haron, aged 32, a Malaysian prison officer, was fined £200 with £20 costs at Marlborough Street Magistrates' Court, London, yesterday for stealing clothing valued at £107.33 from Debenham's store, Oxford Street.

Cottage transfer

A fifteenth-century timber-framed cottage was re-erected at Glutton, Cumbria, yesterday after being transferred from Little Barford, Bedfordshire, 19 miles away, where it was damaged by passing traffic.

Statues recovered

Two Roman statues of Venus and Mercury, stolen from Verulamium Museum, St Albans, in March, have been recovered from under a bush in a public house car park at Hatfield.

Mr O'Connell admitted conspiring to enter the Bank of America in Davies Street, between June 1 and October 28, 1974, as a trespasser to steal.

Mr William Hemming, for the defence, said that at the original trial Mr O'Connell had wanted to say certain things that might have interested someone else.

Several days before the bank trial some men tried to murder him not to stand trial.

Office party warning

Employers were criticized by Mr Donald Elliott, Assistant Chief Constable of Greater Manchester, yesterday for encouraging staff to drink at office parties and drive at Christmas.



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HOME NEWS

Bow Group criticizes 'Venetian oligarchy' administering the Bar

By Marcel Berlins
Legal Correspondent

Discrimination against women barristers is continuing, even though it is now unlawful under the Sex Discrimination Act, according to a Bow Group memorandum published today. The Bar's governing body, the Senate of the Inns of Court and the Bar, has made no attempt to comply with the Act, and the heads of chambers are openly flouting it, the memorandum says.

Discrimination appears at all stages of a woman barrister's progress, it says, but it is at its most serious in relation to the grant of tenancies in chambers. Many sets of chambers openly refuse even to consider women, and others impose low quotas. Both those practices are unlawful, but they continue, sometimes with threats of equally unlawful victimization if a complaint is made.

The memorandum, written by Miss Mary Colton, a practising barrister, is strongly critical of the "exceptionally bad internal management" of the Bar, which, it says, "runs itself as if it were a private club, immune from outside supervision." It calls for the senate to be wholly elected by members of

Ombudsman criticized for attitude over surgeon

From Our Correspondent

Sir Idwal Pugh, the Health Service Commissioner (Ombudsman), who last week criticized a doctor for his "inhuman" treatment of a woman of 103, who died last November after being refused admission to hospital at Rhyd, was accused yesterday of setting himself up as both judge and jury.

The doctor, a Nigerian house surgeon, has since returned to Nigeria. The local medical committee of Chwyd, representing the county's 160 general practitioners, says it strongly resents the attempt to use the Ombudsman to steer criticism away

from civil servants and politicians by denigrating health service staff who were trying to make the system work.

Sir Idwal Pugh was prepared to condemn a doctor as inhuman without obtaining or considering an explanation from the committee says. "His decision was based on evidence given in secret and cannot be challenged by questions or cross examination. An act becomes right or wrong because so it decides rather than because a known rule of law was infringed."

It considers that "the rule of law is being replaced by the rule of civil servants, who have become both judge and jury."

Woman 'invited dismissal'

There was a show of strength between Mr John Bishop, an American, and Miss Ute Riley, who was in charge of girls at the Penthouse Club, London, when he arrived to sort the affairs of the club out after it had been closing down for four years. A London tribunal was told yesterday.

Within two days of his arrival he had dismissed Miss Riley, and the club's girls were out on strike.

The tribunal decided yesterday that Miss Riley had invited dismissal and ruled that it was unfair.

Mr Geoffrey Hedges, the chairman, said Mr Bishop had originally offered to reinstate Miss

Riley but she did not want that. She was intransigent and wanted to make an issue of the affair.

The dispute had developed amid a background of poor management and without adequate consultation with the staff affected by Mr Bishop's new plans to make the club successful.

Miss Riley said later that she was astonished by the decision, and added: "Mr Bishop admitted in evidence that he did not know how English employment laws work, or how the club was operating when he arrived."

Mr Bishop said: "Business at the club is going up now. We have a better clientele and things are running well."

Bench orders Neilson property to be returned to him

Donald Neilson, serving life imprisonment for four murders, was granted a court order yesterday for the return of some of his personal property seized by detectives. But his guns and some other items will go to police museums and crime laboratories to be destroyed.

Magistrates were shown at Newcastle-under-Lyme, Staffordshire, a few miles from where Neilson hanged Lesley Whittle aged 17, in an underground drainage system nearly three years ago.

The magistrates agreed that he should be allowed to have back 20 items, including two telescopic sights, novelties containing an inflatable dinghy, skin-diving equipment and a

survival suit, a telescope, motor cycle jacket and camping equipment.

Mr Neilson, aged 41, was not in court for the application. Mr Barrington Black, his solicitor, said it was almost two years to the day since Mr Neilson's first court appearance and "one hopes the last chapter in this saga has now been written."

He said 372 articles amassed by the police in their investigations had already been returned to Mr Neilson, who had been particular not to choose items that might be of showbiz interest to others. "One hopes they are not items from which profit could be made by the unscrupulous."

The police were given powers to retain 465 other articles. Some of them, Mr Neilson's guns, crossbows and ancillary equipment, will be sent to police museums and forensic science laboratories. The rest, including the wire noose used to tether Miss Whittle in the drainage system at Barrowpool Park, Kidsgrove, will be destroyed.

The magistrates ordered that the stolen Remington shotgun should be returned to its owner, Mr Geoffrey Ruscoe, of Huddersfield, with the silencer fired by Mr Neilson removed. Two stolen 22 rifles will be held by the police. The owner does not want them back.

Judge hears recording of calls on telephone

A tape recording of telephone calls, allegedly setting up a bribery deal between a known criminal and two police officers, was played to Mr Justice Bristol in the High Court yesterday.

Mr Trevor Aspinall, a reporter with the *Sunday People*, played the tape on the third day of an action brought against him and his paper by Det Inspector Bernard Mullett, of Osgood Gardens, Orpington, Greater London.

Mr Mullett, who learnt of his reporter from detective sergeant to inspector over the weekend, contends that he was libelled in front-page report of November 17, 1974, about police corruption. Although he was not named in the article, he says he could be identified from it.

The *Sunday People* and Mr Aspinall deny libel.

The recordings were said to have been made at the home in Upton Park, London, of Mr Gerald O'Halloran, who had earlier made a statement to Mr Mullett alleging that Mr Mullett and Det Constable Leslie King had sought £500 from him in return for going easy with their objections to his being granted bail in a magistrates' court.

It was alleged that, in the telephone calls, Constable King arranged to meet Mr O'Halloran in the Dover Patrol public house on the A2 in south-east London, where "something would be hatched over". The detective gave details of his car, which would be in the car park, where the exchange was to take place.

The judge was told that Constable King had been charged with corruption, but the case had been dismissed when Mr O'Halloran refused to give evidence.

After a Metropolitan Police inquiry, Mr King was fined, reprimanded and returned to uniform. No action was taken against Mr Mullett.

The hearing continues today.

Hospital for journalist who drowned his wife

From Our Correspondent

Luton

A journalist who found the pressure of work no great and sometimes a burden, drowned his wife in the bath and then tried six times to kill himself, it was stated at St Albans Crown Court yesterday.

John Kay, aged 33, a reporter with The Sun, pleaded not guilty to murder. His plea of guilty to manslaughter on the ground of diminished responsibility was accepted by the prosecution.

Mr Justice Thesiger ordered Mr Kay to be admitted for treatment at Friern Hospital, Barnet.

Mr Kay, of Alston Road, Barnet, was an industrial reporter and due for promotion to industrial editor later.

Mr John Mathe, QC, for the defence, said Mr Terry Lamb, the editorial director of The Sun, sent a letter to the court saying that Mr Kay could have a job on the newspaper whenever he is fit enough and whenever he is allowed to take it.

Mr Daniel Holis, QC, for the prosecution, said that Mr Kay married his Japanese wife, Harue, in September, 1976.

His marriage was described as ideally happy. Last September he attended the IUC conference at Blackpool, which is always a difficult assignment and apparently was particularly so this year. It turned out that he was suffering from stomach pains and told his colleague that everybody knew he had cracked and said he had lost his career and did not feel able to cope.

He was looking forward to seeing his wife the day after and when he came home he discussed his problems with her. He was worried about his own future and hers because she could not go back to Japan.

He and his wife had a bath together, as they sometimes did, and he, thinking it would be better to end it all, pushed her head under the water.

Dr Henry Rolling said that Mr Kay suffered from profound agitation depression and had lost all touch with reality.

Speakers to be scrutinized after dispute over Front

Durham Police Authority in future is to scrutinize "extremist speakers" after the dispute over Mr Martin Webster, the National Front organizer, who addressed a seminar of senior police officers in Durham last month.

That was agreed by Councillor George Fishburn, chairman, after yesterday's meeting of the police committee at which Mr Arthur Puckering, the chief constable, had faced angry councillors. He again defended the decision to invite Mr Webster. He told the committee that the police were a completely non-political body, whose involvement was purely with law and order.

He added: "On behalf of the Authority, I deplore bringing a person from the National Front to speak. My idea of the National Front is that instead of trying to create law and order they create disorder."

suggestion that there had been any political bias or cover-up. You may consider that I was very wrong in my view, but you sometimes learn more of public disorder from the people who contribute to it," he added.

Councillor Derek Bates asked what could be learnt from inviting Mr Webster and added: "It amazes me that we could invite a person like this."

Mr Fishburn said he knew nothing of any approach being made to the National Front for a speaker.

He added: "On behalf of the Authority, I deplore bringing a person from the National Front to speak. My idea of the National Front is that instead of trying to create law and order they create disorder."

The hearing continues today.

OVERSEAS

Power cuts in France suspended by unions

From Our Own Correspondent Paris, Dec 12

Leaders of the militant unions which have been calling their members in the power supply industry out on strike since the beginning of the month agreed today to call off a further round of cuts planned for Wednesday. They did this after two hours of talks with M Marcel Boiteux, the director of *Électricité de France*.

The union leaders, who have yet to say anything about the cuts they have planned for Friday, decided to suspend the actions planned for Wednesday because they felt that they had made M Boiteux think again.

M Boiteux said that certain proposals had been put to him which he had extreme reservations but had, in a spirit of conciliation, agreed to

The unions had been threatening to cause voltage reductions of up to 20 per cent on Wednesday between 9 am and 10 am, and 30 per cent reductions on Friday between 9 am and 11 am when the industry's salary commission is to meet.

This is a further sign of the increasingly tough attitude being taken by the Communist trade union confederation CGT and the Socialist CFDL in their demands for a relaxation of the wage restraint imposed by the Minister of Finance, M Barre, the Prime Minister, to save the economy.

The hardening of their attitude comes after growing anger about their failure to force the Government to negotiate with them on the salary issue. *Électricité de France*, a nationalized industry, is unable to break government guidelines.

At the weekend the unions became further angered by the decision of President Giscard d'Estaing to recall M René Monory, the Minister of Industry, from Morocco and M Paul Delouvrier, the president of *Électricité de France*, from Guatemala. This has given rise to fears that the President might be considering either reuniting the men or even calling in the Army.

The two men met to discuss the situation today but there are no signs that the Government is considering interfering directly at this stage.

The CGT and CFDL refused to sign this year's wages agreement which gave pay rises

Definition of adult suffrage is agreed at talks in Salisbury

From Nicholas Ashford Salisbury, Dec 12

The Rev Ndabaningi Sithole, one of Rhodesia's black nationalist leader, said today that agreement on the definition of the term "universal adult suffrage" had been reached in the talks taking place between the Rhodesian Government and three internally-based nationalist movements.

Mr Sithole, who is head of the African National Council (Sithole), was commenting at the end of the third and longest round of talks in the present series. Further progress was made on the key issues of the franchise and constitutional safeguards.

There are now hopes that agreement on broad principles could be reached by the end of this week, after which the leaders of the four delegations would hand over to committees to work on details. Negotiations are to resume on Wednesday.

Mr Sithole was asked whether agreement had been reached on "universal adult suffrage" in the terms that you understand it. He replied simply: "Yes". There had been some concern among the nationalists about whether Mr Ian Smith, the Prime Minister, had really meant "one man, one vote" when he said he accepted the principle of adult suffrage.

There were still a number of constitutional problems that had to be resolved, Mr Sithole said, but he felt that none of them was insurmountable. He particularly appreciated the "friendly and frank" atmosphere in which the discussions were being conducted.

At today's session, which lasted almost three-and-a-half hours, it was agreed that the chairmanship of the talks should rotate to a representative of each of the four delegations in turn. Mr Sithole chaired today's meeting.

The fact that Mr Smith was prepared, for the first time since his unilateral declaration of independence 12 years ago, to take part in formal negotiations over the chairmanship of a black nationalist symbolizes the apparent desire by all the parties involved to

ensure that this round of talks ends in success.

A statement issued at the end of today's meeting stated that the talks had proceeded in a friendly atmosphere and that delegations had expressed their opinions "very frankly".

Bishop Abel Muzorewa, leader of the United African National Council, said afterwards that the talks were friendly and honest. Mr Smith commented: "I can assure you that progress is being made."

Although the four delegations have agreed not to reveal the contents of the talks to the press, it is believed that the main points being discussed include a blocking third mechanism in any future parliament, safeguards for civil servants, pensions and citizens' bill, a bill of rights and the independence of the judiciary.

The question of the future composition of the security forces has yet to be discussed in detail. This is likely to prove the most difficult part of the negotiations.

Although the three national groups do not possess armies of their own, they will have to rely on the existing Rhodesian forces to provide the basis of a new Zimbabwe defence force. They would like to see certain controversial units disbanded and the inclusion in the new force of some guerrillas.

Today's talks produced a sour response from the spokesmen of the two organizations representing the twin wings of the externally based Patriotic Front, which is not taking part in the talks.

A spokesman of the African National Council (Zimbabwe), the internal branch of Mr Joshua Nkomo's Zulu Organization, described the talks as "a political picnic". He disregarded the fact that the Rhodesian situation had become militarized. No solution could be achieved without taking that into account.

The Rev Thompson Tirivav, publicity secretary of the People's Movement, which represents Mr Robert Mugabe's Zulu organization inside Rhodesia, said the talks were designed only for Mr Smith to buy time to remain in power. There could be no transfer of power to the African majority until the security forces had been reshaped completely.

Continued from page 1
Renate Lutze, chief secretary of Dr Herbert Labs, head of the Defence Ministry's department for military personnel and their welfare.

Cleared by several security checks she had access to the ministry's strongroom where top secret documents were kept and clearly handled such documents during her work. The *Frankfurter Allgemeine Zeitung* claimed that she ordered documents which interested her and had them photocopied on military machines.

The other two are thought to be her husband, Herr Lohr, and Dr Renate Lutze, who worked in the Economics Department, and Herr Jürgen Wiegert, an employee in the naval chief of staff's department. It appears, however, that these two did not have the same access to military secrets as Frau Lutze.

Captain Kurt Fischer, the Defence Ministry's chief spokesman, told a press conference that Frau Lutze had been cleared by regular security checks and that a further check had been requested by Herr Labs about three or four months before she was arrested. He did not rule out, however, that there could have been a certain negligence in the department.

Among the documents apparently photocopied were guidelines for West Germany's defence policy for the coming years; plans for the Bundeswehr from 1974-78; evaluations by the Bundeswehr of its own strength, combat readiness and failings; details of its structure, personnel, equipment and infrastructure; plans for crises, civil emergencies and standby situations; arrangements for mobilization and for dealing with movements of refugees, as well as requirements for future tanks to replace the current Leopards. The documents will have enabled the Warsaw Pact to plan its own strategy accordingly "and considerably improved its chances of influencing the military balance of power in its own favour", the *Frankfurter Allgemeine Zeitung* said.

Nato secrets 'copied in ministry'

Continued from page 1

Johannesburg, Dec 12—South Africa will not withdraw its troops from South-West Africa (Namibia), Mr R. F. Botha, the Minister of Foreign Affairs, reiterated in a broadcast yesterday. The size of the force could fluctuate, however. It would depend on the nature of the threat.

If the threat is great and severe and imminent, you would move more troops, if the threat can be resolved in terms of which the threat can be diminished then, naturally, there will be a decrease in the number of troops. It's as easy as that.

South Africa was committed to maintain law and order in the territory on behalf of the inhabitants. "We have got to do our best to find a peaceful solution because the alternatives may be very catastrophic," he said and outlined what was in prospect.

We are committed to an independence for South-West Africa based on the territory as a whole, in other words—no fragmentation, discrimination based on colour to be removed, a constituent assembly to be elected by the inhabitants of the territory to decide on a constitution on the basis of one man, one vote."

The South-West Africa People's Organization (SWAPO), which has been waging a guerrilla war in the territory from

South Africa to keep troops in Namibia

Continued from page 1

Angola, has insisted that South Africa's troops be withdrawn prior to elections.

Western representatives from the United Nations Security Council met early this month to resolve this impasse, but there was no reported progress.

Mr Botha also said South Africa had agreed with western diplomats to release political prisoners in the territory, but who would qualify as political prisoners was still subject to discussion.

"The other side claims that all the people—also those sentenced by our courts for violations of existing laws—that they are also political detainees. We do not agree with that, but we have agreed that the Secretary-General (of the United Nations) can appoint a panel of jurists consisting of four persons and that they would decide any disputes in this particular field."

He hoped for independence before the end of 1978 and that was a date South Africa was committed to. "As far as we are concerned, if it can take place now we will gladly accept that," he said. UPI

Lusaka, Dec 12—Envys of the United States, Britain, France, West Germany and Canada today briefed Mr Sam Nujoma, chairman of Swapo, on their talks with South Africa over Namibia's independence.

Right-wing gains in Turkish poll

From Sinan Fisek Ankara, Dec 12

As the tedious task of sifting through the complicated votes of Sunday's local elections continued, it became clear that the extreme right-wing Nationalist Action Party of Mr Alparslan Turkes, the Vice-Premier, was on the rise.

Mr Turkes' opponents criticized his party's self-styled "nationalistic and socialist" theories, and threw the blame for most of the recent political violence on the NAP's paramilitary youth movement, the "Grey Wolves" as they call themselves.

Nonetheless, Mr Ecevit's Republican People's Party, Mr Bulent Ecevit's opposition. But few doubted that the NAP had replaced the pro-Islamic National Salvation Party of Mr Necmettin Erbakan, the other

Vice-Premier, as Turkey's third political grouping.

The extremely low turnout,

which is not expected to go over 40 per cent, may have played a part in Mr Turkes' gains, but his increasing strength is a source of unease to his coalition partners as well as to those who see his party as a threat to democracy.

Mr Turkes' opponents criticized his party's self-styled "nationalistic and socialist" theories, and threw the blame for most of the recent political violence on the NAP's paramilitary youth movement, the "Grey Wolves" as they call themselves.

Nonetheless, Mr Ecevit's Republican People's Party, Mr Bulent Ecevit's opposition. But few doubted that the NAP had replaced the pro-Islamic National Salvation Party of Mr Necmettin Erbakan, the other

one week instead of two because "things went more smoothly and quickly than expected".

Both sides made new proposals which will be discussed by their Governments in Washington and Moscow before the next round in the Swiss capital, Mr Ovtchinnikov said.

A joint American-Soviet communiqué issued tonight said: "The delegations discussed proposals put forward on both sides

Love, marriage and the rule of law still interest ordinary Chinese A railway worker's view from a Peking park

From Georges Biannic Peking, Dec 12

Love and marriage, laws and their shortcomings; China's leadership, the reasons why Vice-Chairman Teng Hsiao-ping is so popular—up to now it was virtually impossible to raise these subjects with the Chinese in the street.

But Mr Tian Li, a railway worker, aged 28, who recently married a Frenchwoman, Odile Pierquin, spoke quite freely with me at a meeting in a Peking park.

"Sometimes when they know each other really well, they introduce each other to their families. But there is no question of going to bed or even dancing together.

"Before the Cultural Revolution there were dances on Saturday and Sunday nights. At Yenan (a red base in the 1930s and 1940s) there was dancing. Dancing is not an important matter and since the smashing of the 'gang of four', people have been trying to get back to the spirit of Yenan—a kind of togetherness to overcome difficulties—but nobody is really interested in dancing itself.

"Now the young people are acting more in line with their own feelings and have fewer worries about the things that are forbidden. They only have to read *Origins of the Family* to

divisions, notably in the home, that these conditions impose their status on them."

Love and marriage in China: "Outside university where there is isolation (speaking about love is strictly forbidden), young people who get to know each other when they are about 19 or 20 have normal relations. They go out to cinemas, to parks, to restaurants and so on.

"Somewhere, they know each other really well, they introduce each other to their families. But there is no question of going to bed or even dancing together.

"Before the Cultural Revolution there were dances on Saturday and Sunday nights. At Yenan (a red base in the 1930s and 1940s) there was dancing. Dancing is not an important matter and since the smashing of the 'gang of four', people have been trying to get back to the spirit of Yenan—a kind of togetherness to overcome difficulties—but nobody is really interested in dancing itself.

"Now the young people are acting more in line with their own feelings and have fewer worries about the things that are forbidden. They only have to read *Origins of the Family* to

country. The people are especially sensitive about this.

"When I was a student in Shanghai it was the time (1976) when people were criticizing Teng Hsiao-ping and he was criticized far more in Shanghai than elsewhere (Shanghai was considered the stronghold of the gang of four). But as far as I was concerned I supported Teng, for I believed he was someone who could only do good for China.

"However, at that time I could not say so openly. At the faculty criticism meeting, never said one word against Teng so as not to say what I did not think."

The Chinese leadership: "The Chinese are very sensitive about this. They are not satisfied with the Soviet Union who were given maximum sentences—12 and 15 years' loss of freedom, respectively—for merely exercising the right, which principle Seven of the agreement guarantees".

"Besides that, Teng strongly supports the coming together of couples who are separated by their work throughout the

Soviet anger at human rights attack by US

Belgrade, Dec 12—The United States sharply attacked the Soviet Union at the Belgrade conference today for ignoring human rights activists who tried to put the 1975 Helsinki agreement into practice.

Soviet delegates at the 35th session meeting to review the Helsinki accord responded angrily, saying that America has no moral right to teach other countries about human rights.

Mr Spencer Oliver, the American delegate, took the conference that the United States has observed repeated violations of the pact's human rights guarantees.

We could go on and mention other names, other details of fundamental human rights, including the names of political prisoners, of people who are in prison or in exile because they merely sought to practice their religion or to express their opinions or thoughts", he said.

It was the strongest American attack on the Soviet Union at the conference in five weeks, and only the third time that American delegates have mentioned specific human rights cases by name.

Mr Vassil Loesinov, the Soviet delegate, retorted: "The United States has no moral right to teach other countries about human rights. Life in the United States is not perfect. It includes the right to go without expensive medical care and the right of minorities to be discriminated against.

"So who are to be the judges of others?" he asked. "Are the judges to be those who used napalm and terrible weapons of destruction to kill hundreds of thousands of people in Vietnam and who have hundreds of villages off the face of the earth? Or those who planned secret CIA programmes to try to assassinate foreign statesmen? Or those who use political gangsterism against civil rights activists in the United States?"

He pointed out that he never received the many invitations by the AFL-CIO to speak at its conference but "rather, I received an envelope with a mocking drawing of the extinct monster, the brontosaurus. The KGB evidently had in mind those they call reactionaries, perhaps you, Mr Meany, and, of course, me".

Eminent people now in prison or in exile included Sergey Kirov, Nikolai Gheorghe, Anatoly Marchenko, Andrei Tsvetkov, and Mikola Rudenko. Americans are particularly should seek the release of the artist Peter Ruban, convicted for preparing a commemorative present—a wooden book with a model of the Statue of Liberty—as a gift to them on the bicentenary.

In the light of experience, the grandiose schemes for occupying Amazonia are slowing down, while careful experiments are showing that many crops grow extremely well along the fertile banks of the hundreds of rivers.

Coffee, cocoa, palm oil, pepper and fruits give high yields. Soya has also produced extraordinary yields in experimental planting. But the scientists at Inpa are cautious about single crop plantations, as many plant diseases spread very rapidly in the hot, humid conditions.

There are still many untried resources in Amazonia. The region is rich in many minerals.

Among them are the non-ferrous metals which Brazil needs, tin, copper, and cobalt. Besides almost unlimited reserves of iron ore, manganese and bauxite, the latest discovery has been gold, perhaps thousands of tons of it.

The conference on taxation approved a tax on "gas-guzzlers"—motor cars which consume an inordinate amount of petrol. It set a condition to its approval, however, and the conference did not being it. It demanded that the second conference would introduce a tax on the manufacture of cars which fail to meet minimum standards of fuel efficiency.

Bargaining behind scenes delays US energy Bill

From Our Own Correspondent Washington, Dec 12

There now seems little chance that Congress will complete work on the energy Bill before Christmas. The two Houses will probably adjourn at the end of next week and reconvene on January 19 in a new session.

The conference in which the Senate and House of Representatives versions of the energy Bill (for 1978) are being considered failed to make headway. One of the conferences concurred itself with taxation and has adjourned until the other, which deals with everything else, completes its work.

IF YOU SMELL GAS-RING US

If you smell gas, remember the simple safety rules:

* Don't smoke or use naked flames.

* Don't operate electrical switches—on or off.

* Do open doors and windows.

* Then check that you haven't left the gas on and unlit—or that a pilot light has not gone out.

If you suspect a gas leak, turn off the supply at the meter—and report the leak. Do this at once.

OVERSEAS

US tries to bring King Husain into Middle East peace round despite absence from Cairo

Amman, Dec 12.—Mr Cyrus Vance began talks today with King Husain on how to bring Jordan into the Middle East negotiations. Reporters travelling with the Secretary of State were told that the United States believes King Husain wants to join the talks and that a means will be found. This may not occur until after the first session in Cairo.

American officials in Amman believe he has perhaps a larger stake in peace than any other Middle East leader but requires an assurance from the Israelis that they will make some concession on two vital issues: the sovereignty of the West Bank area, and the status of the old city of Jerusalem and its holy

Mr Vance, who has already been in Egypt, flew to Amman from Jerusalem, where he and Mr Begin, the Prime Minister, talked about the strategy for the Cairo conference which opens on Wednesday. Mr Begin said Israel hopes the conference will produce a settlement between Egypt and Israel which can then be used as a model for a treaty between Israel and its other Arab neighbours.

The talks between King Husain and Mr Vance began this afternoon at the Hashemite Palace, in the foot-

hills south of Amman. Despite the fact that he has not joined the Cairo conference—even though President Sadat is holding open a chair for him—King Husain is in favour of a negotiated settlement.

He told a press conference on December 1 that he was willing to go to Cairo, but only if all the parties concerned go to the meeting. One of his problems is his large Palestinian population. The other is his close alliance with Syria, and those elements make him cautious about any moves that could be interpreted as being over-eager in his dealings with the Israelis.

After he leaves Amman, Mr Vance will fly to Beirut and then to Damascus and Saudi Arabia. His mission will be the same as he described in a Washington news conference: to maintain the momentum set by the Sadat visit to Jerusalem.

Damascus: Syrian leaders indicated today that they would not see Mr Vance if he were carrying a message for them from As-Sifir.

Commenting on press reports to this effect, the official Syrian Arab News Agency quoted sources close to President Assad as saying that "Syria will excuse itself from

receiving Mr Vance if he really is carrying a letter from the Israeli leaders to the Syrian leaders".

In Amman, however, a spokesman for Mr Vance described any suggestion that the Secretary of State was bearing a note from Israel as "nonsense".

The Syrian newspaper Tishrin said today that Washington and Tel Aviv alone could not dictate the terms of a Middle East agreement. "No just and durable peace in the Middle East can be achieved by excluding the Soviet Union, which is one of the main participants in the Geneva conference, or by conspiring against the Palestine Liberation Organization or trying to push Syria into a corner," it said.

Israel would discuss any issue that would make it easier for President Sadat to maintain his position in the Arab world while continuing the movement towards peace, Mr Dayan said.

He said Egypt was happy with the present level of the delegation being sent to Cairo, led by Mr Eliezer Ben Eliezer, director-general of the Prime Minister's office. Talks at that level, without Arab parties other than Egypt taking part, must, however, exhaust their role within 10 days.

If President Sadat got no results in that time, he would be in trouble with other Arab countries.

Israel was willing to discuss a territorial partition of the West Bank and the Gaza strip, Mr Dayan reaffirmed. He still did not believe it was a workable solution, however.

No Arab party had ever proposed such a solution, he said, only the return of the whole territory, which Israel had often said it could not accept.

In any case, Mr Dayan said, existing Israeli settlements in the occupied territories would not determine the final boundary. "Settlements in the West Bank should be the right of Jews," both before and after peace treaties were concluded.

If the negotiations led to a territorial partition leaving existing settlements beyond Israel's border "either they will be removed or, by mutual agreement, they will stay there".

According to President Sadat's demand for the restoration of every inch of land won by Israel during the war of 1967, Mr Dayan said, such Jewish sites as the present Hebrew University and Hadassah Hospital on Mount Scopus would be under Arab sovereignty "just because in the 1948 war we lost it".

"You can tell me I do not exactly feel this way about it," he said, "but what I do think is that we should sit down and discuss it."

On the other hand, he hoped the Israeli Government would not discuss the establishment of a separate Palestinian state in the West Bank.

Israel was ready to negotiate a peace agreement with Egypt alone, if Egypt wanted that, but was also ready to discuss what the other Arab

countries questions.

"They do not pretend they have the right to sign treaties on behalf of Syria or Jordan, but if they want to discuss them we are ready to do it," he said.

Israel eager to shore up Mr Sadat's position

From Edward Mortimer

Jerusalem, Dec 12

Israel is willing to discuss with Egypt the issues of the Gaza strip, the West Bank and the Palestinians, even though Jordan and the Palestinians are not likely to attend the Cairo talks starting on Wednesday.

Mr Moshe Dayan, Israel's Foreign Minister, confirmed this at a foreign press luncheon in Jerusalem today before leaving for a Cabinet meeting to agree the brief for Israel's delegates to the talks.

The most important attributes are intelligence, a willingness to work in teams, and a good attitude, according to Mr Dayan.

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countries questions.

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Quebec shivers

Quebec, Dec 12.—A power failure left 85,000 Quebec residents without electricity for three quarters of an hour last night with temperatures as low as -18°C. —Reuter.

Egypt set for peace conference

Cairo, Dec 12.—Egypt was making final arrangements today for Wednesday's preparatory Middle East peace conference still hopeful that Jordan, and perhaps also the Palestine Liberation Organization (PLO), might eventually attend.

So far the only two parties directly involved in the conflict attending the conference are Israel and Egypt. The United States has also agreed to attend the meeting, which is to be held under United Nations auspices.

The PLO and Syria oppose the meeting, while Jordan and Lebanon have found various diplomatic reasons for not coming.

Dr Boutros Ghali, the Egyptian Foreign Minister, said

yesterday that the visit to Cairo by King Husain last week showed he supported President Sadat's peace initiative. He added that Jordan might come to the conference in the coming weeks".

In a move expected to incite further wrath from the PLO hardliners, Egyptian officials met briefly today with independent Palestinian notables from the Israeli-occupied Arab territory. A PLO group had threatened to kill Palestinians who participated in such a meeting.

The meeting had originally been expected to include only Palestinians from the Gaza strip, formerly administered by Egypt. But Cairo radio said some Palestinians from the West

Bank had also joined the meeting, which the radio said had won support for Mr Sadat's policy.

Meanwhile, security forces armed with sub-machine guns began moving into the grounds of Meno House, the 103-year-old hotel where the conference will be held.

The conference will start at 10.30 am on Wednesday. There will be a brief inaugural session and then the delegates will move into secret session. The working language of the conference will be English.

Mr Ghali has said Egypt has already prepared a number of documents containing proposals on how to achieve peace in the region.—UPI.

Friday and was given a second suspension for yesterday, today and tomorrow.

The original suspension was for defying censorship by printing an article about Palestinians buying land in south Lebanon.

The newspaper is part-owned by Mr Amin Gemayel, the son of Mr Pierre Gemayel, the Phalangist leader.

Mr Pierre Gemayel disavowed any connection between the Phalangists and the closure of shops and schools in Christian areas. He said: "Those who took part in the strike should return to their work. The Phalangist party does not accept that anyone is stronger than the state, than the President of the Republic."

Mr Gemayel and Mr Camille Chamoun, the head of the right-wing National Liberal Party, met President Sarkis today to discuss the protests.—UPI.

Soviet snag in Tokyo-Peking pact

From Peter Hazelhurst

Tokyo, Dec 12

Caught in the crossfire of the Sino-Soviet dispute, Japan will refuse to sign a proposed peace and friendship treaty with China in the near future if the terms of the pact antagonize Moscow, Mr Susumu Sonoda, the Japanese Foreign Minister, declared today.

Mr Sonoda issued this statement today after reports which suggest that Japan, encouraged by the growing opportunities of trade with China, might sign the proposed pact with China if ratified, Mr Sonoda said.

Mr Sonoda refused to confirm or deny reports that the Soviet Ambassador to Japan has, in fact, issued such an ultimatum.

Mr Sonoda said an "appropriate representative" will be sent to Europe after Japan and the United States sort out their trade disputes. Mr Nobuhiko Ueda, Japan's special envoy to Moscow, is due to return to Japan next week.

Mr Sonoda said that Japan will be bound from operating within Russia's 200-mile fishing zone if the unfavourable "anti-hegemony" clause is written into the treaty.

Speaking to journalists today, Mr Sonoda brushed off questions regarding the proposed date of the signing of the treaty, but he admitted that Mr Shigeo Sato, the Japanese Ambassador in Peking, has returned to Tokyo to brief the Government.

Dealing with rumours that the Soviet Union might hand back two minor islands to Japan in return for a peace treaty, Mr Sonoda said: "Japan's stand

does not change. We insist that all four of the islands should be returned."

During the past three decades the Soviet Union has consistently urged Japan to give up its claim to the islands and there is no evidence that Moscow will soften its stance in the near future. However, Mr Sonoda said that Japan, if invited, would be willing to participate in massive development projects in the Soviet Union.

The Japanese Foreign Minister also reiterated promises that Japan will soon send a special envoy to Brussels to obtain trade concessions designed to reduce Japan's huge trade surplus.

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Reporters searched before leaving Romania

From Dessa Tresilian

Brussels, Dec 12

In an effort to stop appeals on human rights by Romanian citizens reaching the outside world, the Romanian authorities have imposed a thorough search on Western journalists leaving the country by air.

For the first time I was searched for printed matter at Bucharest airport yesterday before being allowed to leave for Belgrade. Plain-clothes police, including my copy of speech by President Ceausescu, before permitting me to pass the barrier.

A search of this kind is unusual for Romania and is surprising when the journalists affected had come to Bucharest for the Communist Party conference.

It seems to have begun when the police discovered that Mr Chet Bergman, the Belgrade-based correspondent of the Stockholm newspaper *Dagens Nyheter*, was intending to fly to Belgrade with a manuscript of a satirical book on Romania and an appeal by a Romanian citizen to the Belgrade conference and the United Nations about the infringement of human rights in the country by air.

The two journalists were launched into orbit on Saturday in Soyuz 26 and linked up with

the previously unoccupied orbital laboratory after docking in space.

Soyuz 6 is orbiting the earth every 90 minutes at altitudes ranging between 204.4 miles and 165.9 miles. An earlier attempt by Soyuz 25 to dock with the Salyut 6 space laboratory failed to do so because of a technical fault.

The Soviet press has said the Soyuz 26 expedition has planned for "important and complicated work", which Western experts say could mean the simultaneous docking of a second Soyuz space capsule for resupplying Salyut 6 or possibly changing crews.—UPI.

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THEATRES

THE ARTS

Pears to conduct

Peter Pears will be making his debut as a conductor at next year's Aldeburgh Festival, which will run from June 8 to June 25. Mr Pears, who is joint artistic director of the festival, will be conducting the London Voices and London Wind in works by Britten, Mozart and Peter Racine Fricker.

He will be heard in his more normal guise as a tenor in two performances of Britten's opera *Death in Venice*, in a programme of duets with Ian Partridge, including some settings of poems by Walt Whitman specially written by David Bedford, and in a performance of Britten's *Noë's Fludde*.

The other artistic director, Mstislav Rostropovich, the Russian cellist and conductor, will present a programme of cello suites, a sonata recital with his wife Galina Vishnevskaya and a concert conducting the Snape Maltings Training Orchestra. Other visitors to Aldeburgh will include the Amadeus Quartet, the Berlin Ensemble, Sir Clifford Curzon, the English Chamber Orchestra, Kent Opera with Monteverdi's *Orfeo* and, in a programme of words and music, Princess Grace of Monaco.

Rostropovich has only just become an artistic director, following the death of his close friend Lord Britten, and speaking in London he said that plans for the 1978 festival included a visit to Aldeburgh by the National Symphony Orchestra of Washington, of which he is permanent conductor. He also hoped that they could celebrate the centenary of the first performance in Moscow of Tchaikovsky's *Eugene Onegin*. He said the opera had originally been composed for young students, and thus he felt it would be right to present it at Aldeburgh with a young orchestra and young singers.

Martin Huckerby

Vienna Waltzes

New York State Theatre

John Percival

It is surprising how often the simplest things in the theatre are the most successful. George Balanchine's *Vienna Waltzes* consists largely of couples simply walking, but it has established itself quickly not only as one of the most popular pieces in New York City. Ballet's repertoire but a work to draw in an audience go to ballet. Tickets are as hard to come by as for a hot Broadway musical, and when an extra performance was announced instead of another work, a poorly booked Thanksgiving Day house promptly sold out.

The music goes some way to ensure success, especially as played as lovingly as by the NYCB Orchestra under Robert Irving's direction. Three pieces for Johann Strauss the younger begin with the baller, starting with *G'schichten aus Wienwald*. During the long introduction the curtain rises on Rouben Ter-Arutunian's evocation of the Vienna Woods and a dozen or so couples gradually assemble, the women in their pink party dresses linked arm in arm with their uniformed escorts.

Then as the big tune swells

lost art is there in the dance, and although the whole car is good, it may be that von Aroldingen's European upbringing gives her an advantage over the others. This is quite the best thing I have seen her do, a beautifully modulated performance.

Fruhlingsstimmen comes next, led by one of New York's darlings, the irresistible Patricia McBride. She is a versatile dancer, responding equally well to Balanchine's half-joking self-improvised treatment of Gershwin's *White Cages* and to Jerome Robbins' melodic presentation of the sex war in insect terms: *The Cage*. In *Vienna Waltzes* her role is something she does superbly well, pure classical dancing.

This is the only sequence of the ballet for which the women do not wear heel shoes. The voices of spring must have whispered something in Balanchine's ear about the tripping gaiety of Austrian dancers, because there is a sadness in the waltzes, almost like a classical elegy of the once-famous Wiesenthal sisters, unless their pictures tell us. McBride's almost uncanny speed and lightness is matched by her partner, the fleet-footed Helgi Tomasson, and they are accompanied by a small group of young women.

There is a startling change of rhythm and mood for the next piece, *Explosions-Polka*. It lives up to its name. Four couples, led with exuberant style by Philip Vaessen, burst on to the stage and move about like firecrackers. The men wear cocked-hat wigs, cutaway coats and trousers padded to give an illusory robustness coincidentally at odds with their agility.

with light from huge chandeliers shaped to echo the trees of the first half. Farrell and Bonnefous are joined by the leading couples of the earlier sequences and by another 20 waltzing couples, the women all in white, the men in evening dress. Wide skirts swirl buoyantly as the dance becomes more delirious, and the wall of mirrors at the back, which until now has provided a discreet counterpoint to the action, comes into its full glory to share a room filled with whirling figures.

For Lehrer's *Gold and Silver Waltz* Balanchine has taken a hint from the composer's own appropriation of it for *The Merry Widow*. Its opening bars bring a transformation of scene: the trees become insatiable, fly up and reveal a lavish *Jugendstil* ballroom. Amid its handsome couples there appears a lone man, Peter Martin, his arrogant Viking profile set off by a white-and-red uniform, then a solitary woman, Kay Mazzo, entirely in black, her face shaded by a wide-brimmed hat.

There are only hints of a relationship between them, but these are enough to colour the sequence and distinguish it from the rest of the ballet. After that, a further partial transformation makes the ballroom seem larger and grander. Into its half-light, in a white dress, comes NYCB's other big star, Suzanne Farrell, for a long solo reverie danced to the first part of Richard Strauss's first suite of *Der Rosenkavalier*. Interestingly, she is joined by Jean-Pierre Bonnefous, who appears and vanishes so magically in the surrounding shadows as to seem an embodiment of her thoughts. Suddenly the ballroom blazes

with light from huge chandeliers shaped to echo the trees of the first half. Farrell and Bonnefous are joined by the leading couples of the earlier sequences and by another 20 waltzing couples, the women all in white, the men in evening dress. Wide skirts swirl buoyantly as the dance becomes more delirious, and the wall of mirrors at the back, which until now has provided a discreet counterpoint to the action, comes into its full glory to share a room filled with whirling figures.

In Sunday's programme of concertos by the forgotten "masters" only the eighteenth-century item, by J. I. Quantz, turned out to be thoroughly "well made" but dull, too.

It could have been any of the other 299 by Quantz, or of the other thousands by his contemporaries. And the soloist, Rasmus Ringdal, if tasteful and sufficiently agile, did nothing to make it more interesting.

The Romantic works aimed higher and had farther to fall.

A special rapport

LSO/Böhm
Festival Hall

William Mann

Visitors to Salzburg Festival have told of the special rapport between Karl Böhm and the London Symphony Orchestra, one that led this year to Böhm's appointment as president of the LSO. In that capacity on Sunday he conducted his British orchestra for the first time on South Bank.

In this country Böhm has been publicly associated with a quite restricted repertory (Mozart, Beethoven, Brahms, Bruckner, Berlioz, Wagner, Strauss, Berg); perhaps the new appointment may give him opportunities to conduct a wider prospectus of music. There was a preface in this programme, which included Tchaikovsky's fourth symphony, no rarity but not a work one might expect Böhm to select for a London concert. He has strong ideas about the piece, which he and the LSO are record for the exquisitely polished, particularly sensitive, and bounding in that humanity which is a special concern of concerned music.

Böhm took a pungent, dramatic view of the Tchaikovsky, giving

ing full vent to its tenderness, jubilation, and elegiac qualities, yet keeping each mood and its musical expression strictly under his own control. He does not treat the composer's dynamics or tempo directions scrupulously. Several times a fortissimo was transformed into a pianissimo crescendo up to that prescribed fortissimo; a wide range of speeds was used within movements, the transitions sometimes gradual, sometimes precipitous. In the long run Böhm's eccentric methods (they may derive from famous maestri of his youth) were justified, at least in part, by the final coherence of the reading, and by the LSO's superb response to his direction, not least in the delicate coda of the second movement of the finale's festive initial.

The "special rapport" was audibly in evidence in Mozart's *Joint Symphonies*, a brilliantly played and vibrant account, without a whisper of rancor, as well as in Tchaikovsky. The playing was exquisitely polished, particularly sensitive, and bounding in that humanity which is a special concern of concerned music.

Karlsruhe Musik Hochschule CO St John's

Stanley Sadie

Inferior composers had an air of familiarity in the nineteenth century. Anyone with a decent training and a modest gift could turn out a passable Mass, sonata or symphony; the scale was limited, the technique clearcut, the options relatively few, and no one asked for originality. But once past 1800, when the artist became hero and the rules existed only to be broken, it took something nearer to genius to produce even a work that does not contrive.

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The Romantic works aimed higher and had farther to fall.

Thomas Tellefsen's piano concerto of 1832 contains a good deal of warm-hearted melody, but too often sounds like Chopin on an off day. Certainly it is more imaginatively scored than Chopin's concertos, but Tellefsen found sustaining an entire movement more difficult, especially even than Chopin, and there are pages with plenty of notes but little music. Einar Steen-Nokleberg plays it too discreetly, even rather stolidly: he made little of its textures. Berwald's violin concerto (1821) is not one of his best pieces; it begins superbly, as if something on a truly Brahmsian scale is coming, but here, too, the invention flags, and we end with an excess of unaccompanied violin passage work (some of it was none too smoothly done by Arve Tellefsen).

A *homme-touche*, Kulliwa's concerto for flute and aboe, probably from the 1830s or 40s, was made *plus bonheur* by the presence of Leon Goossens, who at 80 still has his old subtlety of timing. The piece itself is an innocuously pretty set of variations. And the soloist, the Karlsruhe students, augmented from the RCM, accompanied quite efficiently; Roy Wales's conducting did not seem to provide any specially valuable guidance.

textures, such as the fugues of both the G minor and the C major sonatas, occasionally strained his technique and reduced bloom. There were passing lapses of intonation in these movements, too, and in some or not others because they were taken unaccompanied, for such as the concluding *Allegro* of the C major sonata. But for the most part notes flowed fluently and crossing-fingered was reasonably clean.

Except for those one or two instances of questionable speedings, Mr Kanga's interpretations were those of a sensible, unidiosyncratic musician. But while his straightforwardness was preferable to the over-elaborate kind of expressivo sometimes heard, it is clear that he has done rather more reading between the lines. Sometimes it was his phrasing that lacked the truly revealing personal touch. Certainly the mysteriously brooding opening *Adagio* of the C major sonata was short of romance.

In the dance movements of the B minor partita, characterization could have been sharpened by more positive definition of rhythm, most notably in the launching of the *Bourée*.

Homi Kanga
Wigmore Hall

Joan Chissell

Asked why he wanted to climb Everest, a distinguished mountaineer replied: "Because it is there." For violinists, Bach's unaccompanied sonatas and partitas might be said to constitute a comparable challenge. Although there are many easier ways of drawing an audience to Wigmore Hall, the Indian violinist, Homi Kanga, began his ascent on the six on G minor and C major sonatas, and the B minor partita. He returns on Thursday to complete the cycle.

A first requisite in music for solo violin is agreeable tone. In comfortable contexts that was something Mr Kanga could provide: tone of warmth and body in the lower reaches and sweetly lyrical higher up. Unhurriedly, he played the more lyrical movements, like the opening *Adagio* of the G minor sonata, brought the best chances of enjoying it.

More elaborate contrapuntal

What's up at Theatre Upstairs

At the Theatre Upstairs from December 31, David Suchet will appear in his one-man show *The Kreutzer Sonata*, by Leo Tolstoy adapted and directed by Peter Farago. Highly acclaimed when it was first performed in

Some of the notices on this page are reprinted from yesterday's later editions.

Music Realises £94,440

This was the total for Sotheby's sale of printed and manuscript music on 2nd November.

Music Realises £94,440

The Hindu God Ganesha, bronze, South India

Music Realises £94,440

Among the items offered was this autograph manuscript of the famous song, "The Minstrel Boy", c. 1813, by the poet, musician and composer, Thomas Moore, which was sold for £1,300. The sale also included an album leaf signed by J. S. Bach which made £300, and a signed autograph manuscript by Robert Schumann which sold for £30,000.

Sotheby's Book Department holds two specialised sales of music a year which also include letters of musicians and books on music. If you have music which you think might be of value, telephone or write to MICHAEL MORTON-SMITH.

Sotheby's

Sotheby Parke-Bernet & Co.

34-35 New Bond Street, London W1A 2LA

Telephone: (01) 403 8080



Photograph by Anthony Crickmay

Glory of Balanchine's Vienna

Vienna Waltzes

New York State Theatre

John Percival

It is surprising how often the simplest things in the theatre are the most successful. George Balanchine's *Vienna Waltzes* consists largely of couples simply walking, but it has established itself quickly not only as one of the most popular pieces in New York City. Ballet's repertoire but a work to draw in an audience go to ballet. Tickets are as hard to come by as for a hot Broadway musical, and when an extra performance was announced instead of another work, a poorly booked Thanksgiving Day house promptly sold out.

The music goes some way to ensure success, especially as played as lovingly as by the NYCB Orchestra under Robert Irving's direction. Three pieces for Johann Strauss the younger begin with the baller, starting with *G'schichten aus Wienwald*. During the long introduction the curtain rises on Rouben Ter-Arutunian's evocation of the Vienna Woods and a dozen or so couples gradually assemble, the women in their pink party dresses linked arm in arm with their uniformed escorts.

Then as the big tune swells

lost art is there in the dance, and although the whole car is good, it may be that von Aroldingen's European upbringing gives her an advantage over the others. This is quite the best thing I have seen her do, a beautifully modulated performance.

Fruhlingsstimmen comes next, led by one of New York's darlings, the irresistible Patricia McBride. She is a versatile dancer, responding equally well to Balanchine's half-joking self-improvised treatment of Gershwin's *White Cages* and to Jerome Robbins' melodic presentation of the sex war in insect terms: *The Cage*. In *Vienna Waltzes* her role is something she does superbly well, pure classical dancing.

This is the only sequence of the ballet for which the women do not wear heel shoes. The voices of spring must have whispered something in Balanchine's ear about the tripping gaiety of Austrian dancers, because there is a sadness in the waltzes, almost like a classical elegy of the once-famous Wiesenthal sisters, unless their pictures tell us. McBride's almost uncanny speed and lightness is matched by her partner, the fleet-footed Helgi Tomasson, and they are accompanied by a small group of young women.

There are only hints of a relationship between them, but these are enough to colour the sequence and distinguish it from the rest of the ballet. After that, a further partial transformation makes the ballroom seem larger and grander. Into its half-light, in a white dress, comes NYCB's other big star, Suzanne Farrell, for a long solo reverie danced to the first part of Richard Strauss's first suite of *Der Rosenkavalier*. Interestingly, she is joined by Jean-Pierre Bonnefous, who appears and vanishes so magically in the surrounding shadows as to seem an embodiment of her thoughts. Suddenly the ballroom blazes

with light from huge chandeliers shaped to echo the trees of the first half. Farrell and Bonnefous are joined by the leading couples of the earlier sequences and by another 20 waltzing couples, the women all in white, the men in evening dress. Wide skirts swirl buoyantly as the dance becomes more delirious, and the wall of mirrors at the back, which until now has provided a discreet counterpoint to the action, comes into its full glory to share a room filled with whirling figures.

In Sunday's programme of concertos by the forgotten "masters" only the eighteenth-century item, by J. I. Quantz, turned out to be thoroughly "well made" but dull, too.

It could have been any of the other 299 by Quantz, or of the other thousands by his contemporaries. And the soloist, Rasmus Ringdal, if tasteful and sufficiently agile, did nothing to make it more interesting.

The Romantic works aimed higher and had farther to fall.

For Lehrer's *Gold and Silver Waltz* Balanchine has taken a hint from the composer's own appropriation of it for *The Merry Widow*. Its opening bars bring a transformation of scene: the trees become insatiable, fly up and reveal a lavish *Jugendstil* ballroom. Amid its handsome couples there appears a lone man, Peter Martin, his arrogant Viking profile set off by a white-and-red uniform, then a solitary woman, Kay Mazzo, entirely in black, her face shaded by a wide-brimmed hat.

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Increased spending on thermal insulation gets a prominent place in energy saving plans

House of Commons

A 10-year energy conservation programme which could save the equivalent of about 10 million tons of oil a year from 1980 onwards was announced by Mr Anthony Wedgwood Benn, Secretary of State for Energy. During the first four years the programme will involve the expenditure of about £520 at 1977 prices. At the end of the 10 years the energy savings would be worth about £700m a year at present rates.

Mr Benn said: Existing policies have contributed to energy savings approximately estimated to be worth some £2,000m over the last four years. As was recognized in May, energy conservation must play a major role in our future energy policies. Therefore, set in hand a review of policy to bring about a significant reduction in the future growth of energy demand, following recommendations made by my Advisory Council on Energy Conservation. Today I am announcing a substantial package of measures.

First: The Property Services Agency will extend its existing programme in the civil and defence estates at a cost of £50m a year. This will include continued progress towards the eventual target of saving 35 per cent of the fuel used at the start of the programme in 1972. This represents around £30m a year at today's prices.

Second: As part of a long-term programme for installing thermal insulation and heating controls in National Health Service buildings, it is planned to invest an additional £10m in 1978-79 and £20m in each of the succeeding three years.

Third: As part of a similar programme in educational buildings it is planned to make available an additional £10m in 1978-79 and £20m in each of the succeeding three years.

Fourth: The Government will discuss with local authorities the very substantial opportunities for energy savings in their non-domestic buildings, other than schools. We propose to make an additional £10m available to local authorities for the necessary staff to ensure efficient energy management and for the installation of saving controls. The precise sum will be spent with local authorities on the extension of their non-domestic buildings.

Fifth: The Government are launching a 10-year programme to bring the public sector dwellings up to basic minimum standard of thermal insulation. It will affect over two million dwellings and will have major social benefits. Spending for this purpose will be made eligible for central government housing subsidies.

Provision will be made for saving electricity in those programmes, including in later years savings as an essential element in our energy policies.

The measures I have described will involve additional public expenditure on energy conservation, aimed at persuading motorists to see that their cars are well maintained and to drive in more economical ways.

This is reinforced by our policy of making additional cash on energy conservation. In the Department of Energy I am establishing a separate division, responsible for energy conservation, in the central energy-producing industries as an essential element in our energy policies.

The measures I have described will involve additional public expenditure on energy conservation, aimed at persuading motorists to see that their cars are well maintained and to drive in more economical ways.

Mr John Pardoe (North Cornwall, Lab) asked: Will you take account of the 1977 survey prices. They offer satisfactory returns on the expenditure involved, even at today's energy prices, and they could lead to savings of up to 10 million tons of oil equivalent a year at the end of the 10-year period worth some £700m a year at today's prices?

The House approved the motion, and for the construction industry. But energy conservation is not a matter for the Government alone. To achieve the potential savings in full will depend in large part on how far the private sector matches the Government's aims and goes beyond what is now being done in the public sector. Higher energy prices make conservation good sense for everyone.

Our programme will take up to four years to come into effect and when necessary. We shall need to decide how far any further reinforcement of our policies should be achieved by mandatory measures, by fiscal action, or in other ways.

However, the measures I have announced today represent an important stage in the development of our energy conservation programme. Despite Britain's ample resources resulting from the installation of Ministry of Defence buildings.

The Department of the Environment has for some time been consulting outside interests on proposals for building regulations to promote thermal insulation standards in new non-domestic buildings and existing buildings resulting from the installation of Ministry of Defence buildings.

The Government have now decided on further steps in this regard.

Sixth: The introduction of building regulations requiring the provision of appropriate controls on heating systems is under consideration. The regulations would apply to the installation of heating plant in new non-domestic buildings and

to its replacement in existing non-domestic buildings. A consultative document will be issued as soon as possible.

Seventh: To promote efficient energy management in non-domestic buildings, a new Government advisory and training service will be set up. £500,000 a year has been made available for this purpose.

Eighth: In addition, the Government has allocated £40m in 1978-79 and £5m in each of the next three years to expanding information and advisory services to industry.

Mr Tom King, Opposition spokesman on energy (Bridgwater, C) said: We warmly welcome the Government's programme, which will make a significant contribution to energy conservation. It is only tragic that another winter has been lost and that this is the last industrial country to bring forward a package on these lines.

Mr Benn has spoken of possibly including provision in building regulations. Could this be extended to domestic buildings?

We have always maintained that domestic insulation is employment intensive. Can he give any assessment of the employment content of this?

Mr Michael Latham (Merton, C) said: We are making available some of the resources of the marine industry. An appropriate recommendation the Commissioners might reach would leave many clergymen below the poverty line.

Mr Walker—The Church Commissioners have publicly expressed the view that clergy stipends are most inadequate. The maximum levels known to be obtainable for next year are £1,000. We are awaiting the Germans' proposals which are not through, and our record is not bad compared with that of other countries.

Our progress speaks for itself. Building regulations are for the benefit of the whole of Government and the public would have to come from others.

I have long believed that this insulation work, being labour-intensive, is welcome in its own right. It is difficult to put specific figures to the number of jobs but they will be substantial.

Mr Patrick McNair-Wilson (New Forest, C) said: So that we make the best use of our substantial coal resources, the biggest of our fossil fuels, what action is the Secretary of State taking to encourage manufacturers to make fireplaces and chimneys available in houses and other accommodation to take the strain off other domestic fuels?

Mr Benn—This has been brought to my attention. It is primarily for the Secretary of State for the Environment.

I hope we shall make progress in getting greater use of coal for sensible purposes—central heating and other uses in domestic buildings.

Mr John Pardoe (North Cornwall, Lab) asked: Is the point about building regulations would only affect new buildings. What about incentives for insulation of existing private dwellings?

Mr Benn—That is a fair point. We have responded as a Government to the point about insulation in existing dwellings. We have also responded to the point about insulation in new buildings.

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حکایت از اصل

Banking and finance in Latin America

Time to wake up: this Special Report looks at Britain's lost opportunities

"Progress towards more balanced and equitable economic relations between developed and developing countries is an essential element of an improved world economy."—OECD ministerial council, Paris, June, 1976.

Too big to ignore

by Michael Frenchman

This year has seen a steadily increasing flow of Latin American visitors to Britain. They have included ministers from the major countries like Argentina, Brazil, Chile, Mexico and Venezuela, a host of bankers and countless businessmen from the private sector.

There have been several fair and promotions for British industry in Latin America and numerous conferences, seminars, and discussion groups in London. All this indicates that at long last Britain is beginning to wake up to the opportunities that exist to increase trade and banking links with Latin America.

One of the major imbalances in world economy so far has been the relationship between Europe and Latin America which has, for many traditional historical and geographic reasons, been dominated by North American investment and trade.

For a generation Britain, and to a lesser extent its continental neighbours, have tended to ignore the realities of the 22 countries which together have a population of 324 million which form this highly complex and variegated region.

It is only since the energy crisis of 1973-74 and the disastrous economic recession which hit the industrialized nations in 1975 that we have begun to focus on Latin America, one of the world's major borrowers of development aid and finance.

According to a Morgan Guaranty Trust report seven Latin American countries—Brazil, Mexico, Argentina, Chile, Peru, Venezuela and Colombia—had a total debt of \$77,000m at the end of last year.

Of these countries, Mexico and Brazil had combined debts of about \$50,000m, representing about a third of the debt held by the world's developing and lesser developed countries. During 1976 there was an enormous increase in lending by the Eurobanks which reached \$3,200m, a good enough reason in itself why greater interest should be taken in further trading links in this area.

In the past four years an imbalance of £147m in trade with Britain has been turned into a provisional surplus of £95m for Britain for the first 10 months of this year. Because of devaluation of the pound during this period a degree of caution must be exercised in comparing these figures. The position this year so far is: Jamaica—October imports from Latin America—£663,4m; exports from Britain £759m. Last year there was a surplus for Britain of only £3,65m.

Between 1972 and 1976 trade with the EEC as a whole nearly doubled, but Latin America has still maintained a small surplus.

Exports, 1972—1976

to Latin America: £4,388m \$8,519m imports by EEC: £4,830m \$8,890m

My hitherto earlier reluctance to take Latin America seriously has been for a number of reasons, two at least largely political. Britons by nature are cautious traders, too much so according to some of our competitors, and are also somewhat hesitant when languages other than the mother tongue are involved. Hence it was always easier to maintain and develop the old colonial links, the Empire and all that.

With minor exceptions like Bolivia and the controversial Falkland Islands, the general impact on the continent has been eclipsed by the Hispanic colonists. The "Empire" hang-up has always put Latin America off the beaten trade track except for a persistent few. For too long British business has stood by while our European and Japanese competitors have gone in, often with both feet first.

For those who did venture at the turn of the century there is the additional stark memory of nationalization of a large number of utility companies and services established by the British. This led to a "much tarnished image" abroad, often deliberately so, in a number of instances.

But now, with the Empire gone, some sectors of British business, in particular the private banking sector, have at last woken up to the potential markets and natural resources which Latin America has to offer not only to us but to the industrialized nations as a whole.

The second main reason

for our change in attitude is Africa. By a curious paradox while Britain, with a few notable exceptions, seems to be staying in, in some cases, Brazil is intent on consolidating its links with Portuguese speaking Angola and Mozambique. Argentina too is looking closely at southern Africa (mainly for defence reasons in the South Atlantic) and to Rhodesia in particular whose white farmers are being wooed to settle in homesteads south of the River Plate.

But to some perceptive businessmen it seems that with the EEC as a whole nearly doubled, but Latin America has still maintained a small surplus.

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is still occupied by that of Mr Andrew Monteath, the executive director of the American Chamber of Commerce in Argentina, prefers not to comment. But the space on the wall behind his desk which is reserved for the portrait of the American President speaks volumes: it

among its strongest critics is Mr Gerald Ford. Mr Carter, however, has not been entirely unaffected by this. In the case of Chile he has been led to "much tarnished image" abroad, often deliberately so, in a number of instances.

The unforunate image of Latin America being a collection of lesser republics where the only news item reached the headlines was yet another "revolution or coup" is more than likely to be replaced by similar activities in some of the nouveau riche Africa states where the veneer of stability and social lies thinly.

The realization of possible

undue emphasis on punitive negative measures to promote human rights, we run the risk of provoking reactions which could not only undermine our national interests, but could also undermine our image in the world. The Argentine Government will have to think hard about human rights if it wants to keep its ships and tanks running in the future. The United States has said, for example, that it would welcome publication of a list of the military Government's political prisoners, whose number is still unknown.

The other side of the coin, however, is that the American private arms industry could lose the chance of offering Argentine arms worth more than \$250m if the embargo holds.

Six Latin American countries are now without military aid from the United States, cut off because of violations of human rights or rejected in a huff. They are Chile, Argentina, Uruguay, Brazil, Guatemala and El Salvador.

Bewilderment and anger among some Latin American governments is not all President Carter's fault: sometimes it is outshouted by Congress, and the strictures on human rights are made harsher than his friends. But except for restrictions on military aid they are largely ineffective.

American policy has been less effective in trying to peg international loans and development aid to the human rights performance of recipient Latin American governments. Indeed, while Argentina, for example, is too developed to qualify for direct aid handouts, the International Monetary Fund and private American banks have flooded the military Government with all the money it has required.

It is the high-level terrorist threat and political uncertainty which is chiefly holding back private investment in Argentina, not considerations of human rights.

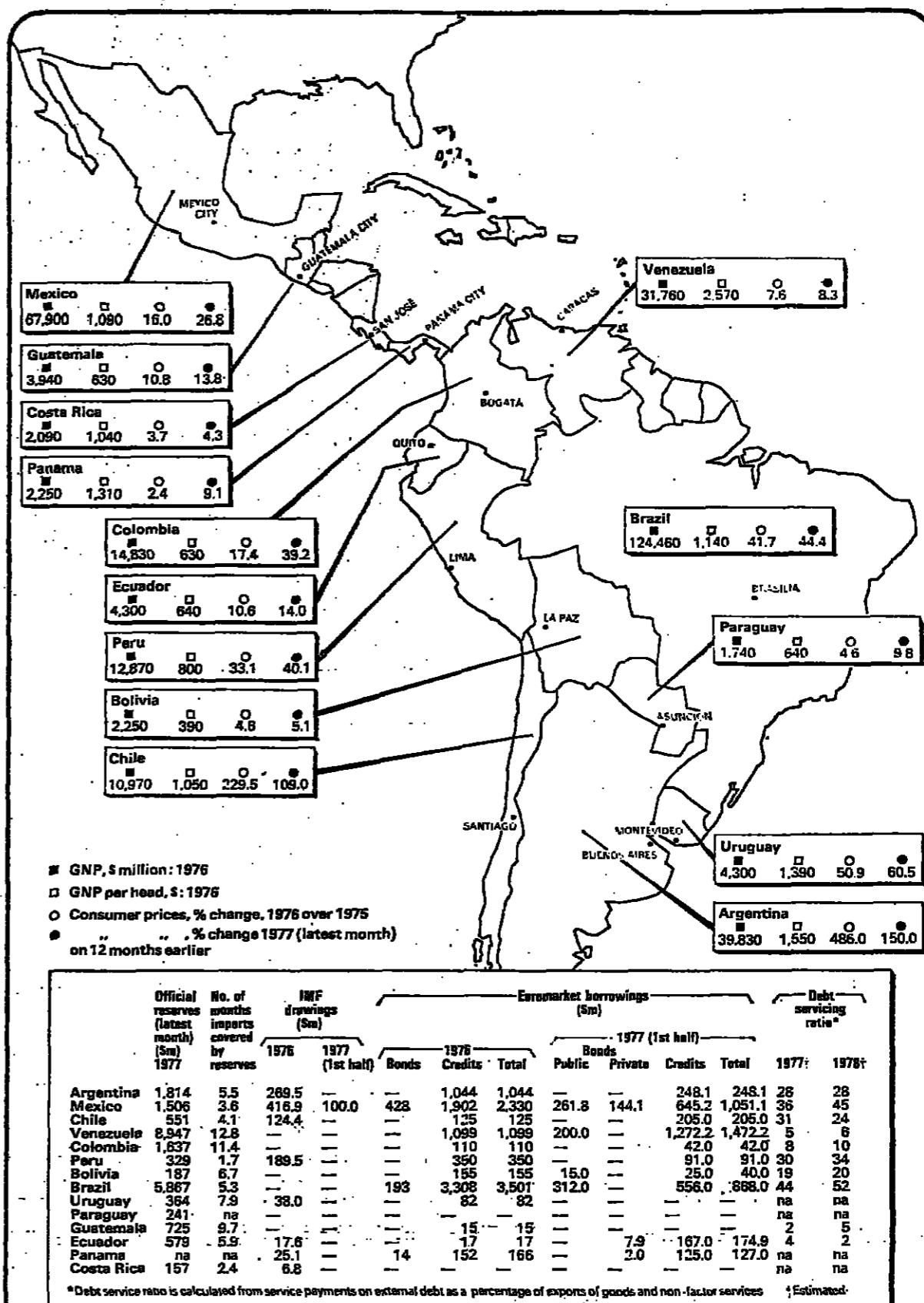
In the case of public finance, the American Congress last year instructed the Administrator's delegates on the boards of international development banks not to vote for, and sometimes to vote against, loans

for countries violating human rights. The institutions concerned with Latin America are the World Bank and the Inter-American Development Bank (IDB).

One loan requested by Chile has been turned down for reasons connected with human rights in recent years, but the United States has had no success in barring loans to Argentina. Confident in the programmes of Dr José Martínez de Hoz, the Economy Minister, the World Bank has opened its doors wide to the military Government since the coup in March, 1976, after keeping them shut for three years against the economic incompetence of the previous Peronist government.

It has granted Argentina

continued on next page



Official reserves (\$m)	No. of imports (latest month)	IMF drawings (\$m)	Euromarket borrowings (\$m)			Debt service ratio*
			1976	1977	1977 (1st half)	
1977 reserves	1976	1976	Bonds	Credits	Total	1977: 1978†
Argentina	1,814	5.5	269.5	1,044	1,044	249.1 28
Mexico	1,506	2.6	416.9	1,902	2,330	1,051.1 45
Chile	551	4.1	124.4	—	—	205.0 31 24
Venezuela	2,847	12.8	—	1,099	1,099	2,072.2 5 6
Colombia	1,637	12.8	—	110	110	42.0 8 10
Peru	329	1.7	189.5	364	364	91.0 50 24
Bolivia	157	0.7	—	155	155	32 40 52
Brazil	5,867	2.3	—	193	3,208	3,501 31.20 55.0 44 52
Uruguay	384	7.9	33.0	—	82	82 na na
Paraguay	241	na	—	—	—	na na
Guatemala	725	9.7	—	15	15	2 5
Ecuador	578	5.9	176	17	17	7.9 167.0 174.9 4 2
Costa Rica	157	2.4	8.8	14	152	166 2.0 125.0 127.0 na na

*Debt service ratio is calculated from service payments on external debt as a percentage of exports of goods and non-factor services. †Estimated.

Sources: World Bank and IMF

Lloyds Bank Group in Latin America.

Through its subsidiaries, the Bank of London & South America and the Bank of London & Montreal, Lloyds Bank International has been established in Latin America for well over 100 years and is the only British bank with a branch network covering virtually the whole of Latin America, with a strong presence in all the important financial centres.

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For further information, please contact our Latin America Division in London or any branch of Lloyds Bank Limited.



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BANCOMER, S.A. Merges 37 Mexican Banks

With capital reserves totalling 4,200 million Pesos (186 million dls.), 34 affiliate banks of the Banco de Comercio and the Financiera Bancomer (Financial institution), along with Hipotecaria Bancomer (Mortgage institution), were merged into one commercial bank. The amalgamation took place November 21st this year and converts Bancomer, S.A. into the largest private bank in Mexico.

The new institution, Bancomer, S.A. comprises 565 branches throughout the Republic of Mexico, plus a London Office at 85 Gracechurch Street under the direction of Mr Volker Mergenthaler. Additionally, representative offices are maintained in New York, Madrid, Tokyo and a branch offering all banking services in Los Angeles, California.

As a result of the merger Bancomer, S.A. is now permitted to offer all the facilities of a commercial bank in Mexico, including credit operations on a long term and medium term basis, and mortgage operations. The traditional services of trust funds, checking and saving accounts continue as before.

Simultaneously announcement was made of the election of Manuel Espinosa Iglesias to the Presidency of Bancomer, S.A. and the formation of an Executive Committee composed of Victor Manuel Herrera, Alvaro Conde, Ignacio Castilla and Eugenio Erana.

Half-hearted approach to difficulties

by a Special Correspondent

Developments that might have been expected in the economic sector in Latin America in the aftermath of the oil crisis, particularly over the past year of economic recession, have largely failed to materialise. The most obvious change, Chile's withdrawal from membership of the Andean Pact, was a negative one which failed to spur any quick reaction. And in general the rather lethargic approach of the pact's parent body Lafta (or ALALC), the Latin American Free Trade Association, has been typical.

There are three overriding problems that the various multilateral business associations have all had to face. First, trade within the Latin American area has historically grown less rapidly than world trade in spite of its generally higher levels of gap and population growth. Second, attempts to expand the growth rate of manufactured goods (the sector for obvious reasons of greatest potential), have not been with much success in those sectors which form the basis of a modern industrial state, namely the steel, motor and shipbuilding industries.

This is a difficulty shared with all developing areas. Latin America's third problem stems from its indigenous trait, the desire to father multilateral and bilateral organizations even where the determination to make them work, especially when this implies national sacrifice, is sorely lacking.

The most broadly based grouping is Lafta, set up by the Monterrey Treaty of February 1960. This provided for the removal of all major restrictions to trade between its members by June 1973, a date which has been postponed to 1980. The objective is now most unlikely to be reached even by then. Delays in tariff reduction are due to a multiplicity of causes. The most outstanding has been the inability and unwillingness of the principal foreign investment for the departure of Chile when

most of the most developed Latin American nations, including Brazil and Mexico, to change their industrial development programmes to allow areas of specialization for the others.

The less developed countries have been pressing for changes that would alter Lafta's status of free trade area to that of a much more complex regional community responsible for planning, aid programmes and a variety of other measures. Unfortunately for its sponsors, there has been little support for the idea. It has however been agreed that no serious discussions will take place on the subject until after 1980.

Analysis of intra-area trade shows that it has been only partly successful. Latin American exports have declined from 10 per cent of world trade in 1950 to 6.2 per cent in 1960 and to less than 4 per cent last year. Intra-regional trade as a part of Latin American exports has grown, with the result that intra-regional trade as a part of world trade has been steady over the past 15 years at close to 6 per cent.

Thus what success has been achieved has been defensive: declining participation in world trade has been slowed—a move that might have occurred anyway as the Latin American nations built up their manufacturing industries and the export of manufactured goods.

Possibly the most successful development emanating from Lafta has been the Andean Pact which initially included Bolivia, Chile, Colombia, Ecuador and Peru and was joined in 1974 by Venezuela before losing Chile last year. Its aim is to develop a genuine common market entailing a common external tariff, specialisation on the various sectors of the economy, and common monetary, foreign exchange, fiscal and social security policies.

The most notable achievements have been the formation of a common policy approach and the half-hearted agreement reached areas such as oil drilling has been the motor industry. It has been debated that some members have since 1973 and redrafted restricted imports compared five times. The emphasis is now heavily on the defence of



Sixteenth-century Spanish helmet styles survive in the headwear of these Bolivian villagers.

members' national interests, obviously met with modest success is the Common Assembly and Reserve Fund and the planning agreement rather than on Andean Development Corporation (CAF) designed to provide multilateral support for monetary and balance of payments stabilisation programmes and regional development aid.

CAF, though small scale with resources of only some \$200m, has been able to borrow this summer in the Eurocurrency markets at a rating of 14 per cent over Libor, better than any of its members with the exception of Venezuela.

The agreements reached have inevitably led to bad feelings. Bolivia, for example, has been made for other pie, at the beginning of the pact, claiming that it has received little benefit. The claim appears valid and has persisted as in specialist sectors, including steel, chemicals, electronics, pulp and paper, pharmaceuticals and glass.

But the reasonable progress that is being made—involving the signing of three planning agreements and the working out of the details of 17—is now subject to two threats.

First, the members have received differing degrees of benefit: Colombia, with its relatively developed industrial sector and its larger population base, has obviously done best. It has quadrupled its exports to the Andean Pact countries in the last six years, while Chile, Peru and Bolivia have suffered the resulting inter-group deficits.

The second threat is the disintegrating political agreement. In 1969 all the Andean Pact members were economically nationalist and of varying hues of radicalism. Since then Chile and Bolivia have undergone a dramatic political change but Peru also has moved towards the other end of the political spectrum. These factors, and the general

tendency to run out of momentum, may slow further progress.

The three other essentially regional groupings—Caricom, the central American Common Market, and the Organization of the River Plate Basin—have also been in constant danger of losing momentum. The first, which emerged from the Caribbean Free Trade Area (Carifta) should have reached agreement on internal tariff reduction after outstanding difficulties had apparently been resolved in July 1976. Unfortunately other questions have arisen between the 13 members and no major breakthrough in terms of action has yet been made.

Some political success, however, has been achieved in negotiations over the Rome Convention with the EEC. Barriers to progress in Latin America also centre on the differing size and level of development of its members with Jamaica, Trinidad and Tobago, Barbados and Guyana dominating the agreement. Other constraints are the small size of the overall market and the fact that nearly all the members have balance of payments deficits.

The Central American Common Market (CACM) has been dynamic and quite successful, although negatively affected by the El Salvador-Honduras dispute. Proof of its success is provided by its export statistics, which show that imports rose by 14 per cent a year compared with import growth from third countries of two per cent a year.

Unfortunately, this trend has since been reversed. The CACM's various new institutions have been established with the real economic progress that such steps have allowed. The Latin American propensity to further multinational institutions may be the reason for the survival of some of the organizations, despite the fact that they are not in the same economic area. The ability to recognize the steps that have been made, most obviously by such groupings as the Andean Pact and the IADB together with the real economic progress that such steps have allowed, is the Latin American propensity to further multinational institutions may be the reason for the survival of some of the organizations.

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These organizations

On this and the following two pages correspondents analyse the economies and other aspects of 11 countries

Don't cry for Argentina

by Andrew Tarnowski

October produced Argentina's worst monthly inflation for the year at 12.5 per cent, and bankers expect the total to be about 170 per cent—a far cry from the 100 per cent originally forecast by the Government. It also brought widespread public sector strikes which gave Dr José Martínez de Hoz, the Economy Minister, his worst coup since the military coup in March 1976.

However, political considerations apart, neither he nor foreign bankers and businessmen are dismayed by the way the economy is going. The 1976 inflation total of 350 per cent has been halved, while a certain over-heating of the economy has been permitted to keep unemployment down to 3.3 per cent.

Other achievements include an agriculture-led export boom which has swollen foreign reserves to

\$4,000m—the equivalent of a year's imports—compared with about \$50m and imminent default on foreign debts before the coup.

A 7.9 per cent third quarter gnp growth over the same period of 1976 has been typical of periods after deep recessions, but was also encouragingly up in constant terms on the same period of 1974, the year before Argentina's recession started. The advance was noticeable in industry, as well as agriculture, with September vehicle and crude steel output up 48.8 and 41.5 per cent respectively over September, 1976.

However, the 1977-78 harvest and agricultural exports will be down on last year's record because of drought in some areas, uncertainty about world grain prices and meat outlets, and the high cost of finance. Officials believe, however, that production will be down only about 7 per cent.

Official expectations, shared by some bankers, are that inflation will thus fall to 95 per cent in 1978, with monthly rates at 4 per cent by December.

The squeeze, however, is sending the economy back into recession. The high cost of finance—which reached 14 per cent monthly in October—increased and increasingly efficient taxation (tax revenue is up 47 per cent in real terms this year), the hold-down on public sector wages, restriction of export credits and the opening up to imported consumer goods, have also contributed.

Car production led the slump, falling 7.4 per cent in October, and one banker estimated that industrial output began dropping at a rate of 20-25 per cent in mid-October.

He said the slow down would touch the bottom in January and no recovery was foreseen until April. "From the Government's point of view it is a desired recession

low because of political uncertainty and the complex bureaucratic provisions of the Government's otherwise encouraging foreign investment law.

The results of tenders for risk contracts to explore for oil in Tierra del Fuego and the southern continental shelf are not yet known. Foreign companies are reportedly reluctant to accept payment in dollars, as offered, rather than in disposable currencies.

The central economic question remains the budget deficit. Dr Martínez de Hoz is battling to honour his International Monetary Fund commitment to reduce it to 3 per cent of gnp, compared with more than 13 per cent at the end of the Peronist period. A liquidity squeeze and budgetary hold-down has been imposed since July, and it appears the Government will be near its target. The 1978 target will be 1 per cent.

Argentina's international credit rating is excellent, but private foreign investment remains disappointingly



Argentine exports are likely to reach a surplus of \$1,400m by the end of the year largely because of the excellent profits from the grain harvest which totalled a record 11 million tonnes for 1976-77. The picture shows maize being harvested on an estancia at Rosario, near Buenos Aires.

to damp down inflationary accustomed harshness of a shiver of fright in October. expectations. If the economy their lot. While bankers are solidly in the public sector we feel

second quarter of 1978 it behind the minister ("we uncomfortable that there will pump in the coolers feel he is excellent, capable, and with the military behind again. The aim is steady growth, not sharp varia-

him we may reach the goal of defeating inflation", one

said), not all are confident

that he can indefinitely sur-

vive the social and political

pressures, particularly since

the October

strikes, and ever-present in

the bitter nickname ("Mar-

neto de Hambre") (hunger)

carried by his wage-peging

policy. In Argentina, revo-

lution is taking longer than

some people expected, and

people are increasingly

impatient with the un-

expected.

Another banker was less

confident: "Martínez de Hoz gave way to pay demands in October. Perhaps the situation will be repeated in January or March and he may give in again. Then things could snowball, and I doubt whether inflation would be

controlled."

Bankers, concerned about

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Panama: a dream coming true

by Sidney Wise

Panama is preparing to become the host country of a long-dreamed-of bank. By next May the newly-created Latin American Export Bank is expected to open for business in Panama City.

The choice of Panama as the site of this bank is appropriate. Besides its convenient location as the bridge between North and South America, Panama has been an important sponsor of the bank principally composed of the central banks of Latin America dedicated to financing the rapidly expanding exports from the region.

After long years of discussion and planning, 19 Latin American nations finally signed an agreement on September 18 to establish the bank at a conference held in Cartagena, Colombia. The Latin American Export Bank will have

an authorized capital of \$90m. A commitment was made of \$8m of an initial sum of \$20m of paid-in capital with which the new banking institution will start functioning.

In addition to the shares held by the central banks of 19 Latin American nations, there will be two other categories of stockholders in the bank. One will be for private Latin American banks and the other will be for big international banks operating in the area.

The chief architect of the Latin American Export Bank, Dr Nicolas Ardito Barletta, Minister of Planning and Economic Policy of Panama, explained that the institution would fill a vital need in financing the swift rise of manufactured goods exports from the American region which by 1980 would reach \$17,000m. Dr Ardito Barletta has played a talented role in winning

the support of the Latin American Export Bank.

Panama may be among

the Latin American nations to benefit most from the Multinational Export Bank.

During the past six years Panama has developed into an important world financial centre. A network of powerful international banks

already operating in the country can channel substantial amounts of its bank secrecy laws, loans for economic development through the Latin American Multinational of banking operations.

Panama's bright banking future will probably be enhanced when the Latin American Export Bank

climbs most of the banking

ladder.

Italy, in a period of political uncertainty there. Huge sums are now crossing the South Atlantic from Buenos Aires or São Paulo. But it is only in the past couple of years that Uruguay has regained some of its previous banking status. The lesson has been achieved at high political cost, and the creation of a free money market.

Sandwiched between two immensely rich neighbours, each with its financial problems, Uruguay has been able to assume a new role.

Special circumstances make it known as the "Switzerland of South America" in the 1940s and 1950s. Paraguay, on the other hand, has until recently been almost entirely cut off from the outside world. Access up the River Paraná from Buenos Aires is still possible only for ships of less than 6,000 tons. As a result it has stood still for decades. Its income is about \$400 a head, one of the lowest in Latin America: that of Uruguay is about \$900.

It took Uruguay 20 years to recover from the slump in its wool and meat exporting business, profits from which had enabled it to build some of the finest banking buildings in the New World. Montevideo's venerable banking district is reminiscent of the City of

London, with massive

warehouses, and nothing built this side of the 1950s: very different from Buenos Aires or São Paulo. But it is only in the past couple of years that Uruguay has regained some of its previous banking status. The lesson has been achieved at high political cost, and the creation of a free money market.

Brazil, on the other hand, has decided to develop links with black Africa. South African government treasury bonds are now bought by the country's sole cement plant, Immoce, and have also been transferred across the River Plate by terrified Argentinians, among these the beleaguered Jewish community. But this money could flow out again just as quickly, and is a mixed blessing.

The Uruguayan economy has shown something of a turn-round in the past couple of years. New markets, notably Spain, Egypt and the Arab countries, have been found for beef and mutton. The rise in oil prices has hurt Uruguay badly, because the country relies on thermal energy for most of its electricity, and oil for transport, but it has given the wool trade a real boost.

The country has a fairly large foreign debt, roughly

\$200m.

Two years ago hot money

flew into Uruguay from

substantial gold reserves.

The National Develop-

ment Bank, with 38 branches round the country, is by far the largest bank. Until recently, however, it made no profits. Most Paraguayans preferred to bank with the foreign sector, with dynamic foreign departments. The National Development Bank was given a completely new management last year, and is now making strong efforts to capture more foreign business.

The foreign banks, which in Asuncion are led by the Bank of London and South America, are still very profitable, and are looking forward to the new business which will come with Itaipu and the other projects. The National Development Bank has lent an increasing proportion of loans to the industrial sector in recent years, rather than almost entirely to agriculture. Paraguay's foreign trade expansion has been led by agricultural business, notably in cotton goods and soya oil.

This all means a massive boost to the Paraguayan economy and radical consequences for banking. The country has already experienced a sustained growth of 7 per cent in the past few years, led by agricultural produce and derivatives.

This is reflected in the banking structure, which

consists of the National Development Bank and 12

other banks.

The National Develop-

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branches round the country, is by far the largest bank.

Until the 1940s, Uruguay's currency was fully backed by gold.

For Paraguay, the future can be summed up in one word: hydroelectricity.

When Itaipu, the largest power station ever to be built, is completed, Paraguay will be the world's largest exporter of electricity.

Itaipu, which will probably eventually cost \$12,000m and will produce 12,000 megawatts, is not the only power station to be built on the Paraná river. Two more power stations are to be built jointly with Argentina.

Paraguay will not itself have to raise funds directly, although it will be half-owner of both. Its share of the cost will be lent to it by two neighbours. The money will be paid back by means of sales of electricity to them, almost all of its surplus to Paraguay's requirements.

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Why so many children stay away from school

To those working with delinquent children, it increasingly appears that truancy in some of the larger urban comprehensive schools has reached epidemic proportions. Official figures are alarming, but those in daily contact with the problem are convinced that they underestimate the problem. This is because official figures include rural schools and those in smaller towns where the rate is negligible, and also because growing numbers of school children arrive in the morning, get their "mark" in order to avoid trouble, and then slip out of the school either before or between lessons. A 30 per cent truancy rate has been suggested for some schools.

It is axiomatic that when a child is not where he should be, that is to say is often given is that the

school is too large and the change in system too great. One can sense the bewilderment and inability to cope of the timid or inadequate child.

Truancy is often particularly noticeable where the comprehensive school has been created by the amalgamation of two or more schools. The buildings are scattered and the child has to follow his own individual timetable from one place to another without the support of a constant group of classmates. A pupil will see each teacher, perhaps only a few times a week and some children find it difficult to form relationships under these circumstances. It appears to the child that no one cares about him, that the teachers scarcely know him and consequently will not miss him from class. The existence of "pastoral" teachers appointed specifically to deal with non-academic issues has not overcome this

problem. Children with lesser academic bent find the freedom of choice offered them in comprehensive schools difficult to handle. Even once they have made their choice they become easily discouraged and give up. A school will tell the juvenile court that special courses have been arranged for a truant but that he did not take advantage of the tailor-made time-table; a new set of subjects

is offered, but often with no greater success.

Another way in which these large schools are letting children down is in the matter of discipline. Adolescence is a time of testing in many directions and this includes testing-out the tolerance of society to anti-social behaviour. The young people themselves have joined this debate—according to a recent poll carried out by Capital Radio, two-thirds of school children and young people in London would like more discipline in schools. Perhaps we are placing unreasonable requirements of self-discipline on the young. Many of them feel that a lack of discipline is analogous to a lack of support.

The variety of subjects available is also bewilderingly large for some children. In primary schools the child was used to being directed in what to learn. Many of those of a lower IQ or a

this desire for direction. Adolescence is a difficult period and we make it even more confusing when we fail to provide adequate guidelines.

The sad irony of the comprehensive system is that in many cases it is serving worst those in the greatest need. Immigrant children rank high among those who are victims of a system which is too

sophisticated for them. They vote with their feet by wandering the streets instead of going to school. At 16 they find themselves on the labour market without many of the basic essential skills, unable to measure up to the requirements of society or the expectations of their own parents.

Many excellent residential truancy units are being set up throughout the country, but these are very expensive and can handle only a few extreme cases. Their often remarkable success rate attests to the fact that they are providing something that the children need and will

accept. What they provide is small groups and a caring and disciplined environment. It should be possible for this to be provided at a far lower cost within the schools themselves for other truants.

Those who require the sense of identity and more structured framework than smaller classes can give should be catered for, just as those children requiring specialist courses.

The problems and mistakes must be faced. My analyses of the causes and possible remedies may not be universally accepted. However, the problem exists, is growing and must be dealt with if we are not to condemn yet more young to unacceptably low possibilities in life which often lead to crime. This sort of "Great Education Debate" is not theoretical but of extreme practical urgency.

Louisa Service

The author is Chairman of Hackney Juvenile Court. © Times Newspapers Ltd. 1977

Teaching women about their own bodies

Considering the amount of literature available on the subject of human health and sexuality, it is amazing how ignorant most of us outside the medical profession remain about our own bodies. A brief glance through any women's magazine confirms that large areas of confusion still exist on the topic.

How many women taking the contraceptive pill understand how it works to prevent conception? How many understand the hormonal changes taking place in the body during puberty, pregnancy and the menopause? How many actually prefer not to know, considering that only hypochondriacs show an active interest in their own health?

For several years self-help health groups have been growing rapidly within the women's movement, especially in America, and to a lesser extent in this country. The emphasis is on body awareness and preventive medicine. Pooling their knowledge, ideas and experience, women in the movement have learnt the technique of vaginal examination and the use of simple remedies, such as yogurt, for instances, like thrush. Massage and relaxation are learnt as an antidote to stress and "alternative" medicine—herbalism, homeopathy—is studied.

Yet outside the women's movement, women in general have had few opportunities to share and discuss this kind of knowledge. An exception has been a short experimental course in women's health held recently in Brighton as part of an adult education programme, sponsored jointly by the University of Sussex Centre for Continuing Education and the Friends Centre. The sponsoring bodies considered that if such a course encouraged women to take a serious interest in their health, it is sociological rather than a quasi-medical framework, it deserved their support.

Alan Lucken, Principal of the Friends Centre, saw women's health as a legitimate continuation in the series of women's studies (history, politics, literature), which have been held at the centre since 1973. He believes that adult education can only benefit from ideals such as women's self-help health courses which originate within the women's movement or the black movement in America.

The course attracted 16 women of all ages and backgrounds, from a 17-year-old Venezuelan student to a 65-year-old grandmother. A young doctor, attending from personal rather than professional interest, kept her medical qualifications a secret. The majority of those on the course felt that the presence of doctors, perhaps as lectures, at every meeting, would have inhibited discussion and comment. As the Friends Centre is well known in the area for its varied adult education programme, and has no overt medical or women's lib connections, it proved an ideal meeting place—purely neutral territory.

Few of the women knew what to expect from the course's title and most approached with a cautious interest. "I made it clear from the first meeting that I hadn't come to be miserable, swap anecdotes about doctors or all my complaints—I believe in positive, preventative medicine," said 35-year-old Mrs Peggy Wollede. These feelings were shared by the other women and by course tutor, Heather de Leon, a community worker with a degree in psychology and sociology.

"We're not here to slam doctors or encourage negative attitudes. We want to show women how to improve on the available and, by giving them a greater understanding of their bodies and health, play a positive role in reducing ailments. Possibly this can take some of the burden, however slight, off the medical profession."

Vanora Leigh



It's got to be Gordon's

Why Britain must not fall for this French white elephant

When the eyes went down on the green baize for the start of yesterday's talks between the Prime Minister and President Giscard d'Estaing, it is a safe bet that high on the agenda was the present condition of the aerospace industries in both countries, coupled with the prospects for future collaboration.

Both industries are largely sustained by military orders and both industries on the civil aircraft side are facing a bleak future in the wake of the cessation of the Concorde programme. New projects must be sought and everyone agrees that these projects must be collaborative efforts involving two or more countries. That is where the agreeing tends to stop.

Would-be consortia form and reform in a bewildering variety of quadrilles but little is happening in a positive sense. Unfortunately time is not on the side of the Europeans in general and as far as the British are concerned there is anxiety that the leaders of the now state-owned British Aerospace have already taken a major decision which will effectively foreclose one of the options that the Prime Minister would otherwise want to keep open.

There are three potential segments for future civil aircraft projects and these are the small, medium and large sectors, small being under 100 seats, medium about 160 seats and large over 200.

There are various possibilities for the small and large sectors but the sector with the most immediate potential is the middle one, and this is indeed, the sector which is exciting the keenest interest.

It would be as well to establish that a world market actually does exist and there is general agreement on both sides of the Atlantic that there is a positively identified market for about 1,200 aircraft in the 100-seat class by 1990.

The British entry into this market is called the X-11 and it is a deliberate derivative of the existing and successful 11-1. British Aerospace has spent nearly £2m in bringing this concept up to date and is looking hard round the world in an attempt to secure letters of intent to purchase. Much interest in the X-11 concept by airlines, particularly those operating a regional interlink type of service.

Once a market has been identified it is axiomatic that whoever gets in first does well. McDonnell Douglas have announced the launch in October of the DC9-80, an aircraft adapted for this market segment and all the indications are that where McDonnell Douglas tread Boeing cannot be far behind. There will, therefore, be three entrants in the market if the X-11 proceeds and four should the French decide to enter an aircraft of their own.

The French contender is known as the A200 and this would be an entirely new aeroplane complete with leading curve problems whereas the X-11 is relying on an albeit advanced but rather less proven design characteristics.

A entirely new aeroplane would cost over £100m more to launch than a derivative aeroplane and the group of six aircraft companies went so far as to say some months ago that



Lord Beswick: an agreement.

they could see no way in which a totally new aeroplane made any economic sense.

Moreover, this extra cost increases the unit price of the new aeroplane which in turn increases the number of copies that have to be sold before break even point is reached. The X-11 is ready for launching whereas the new A200 would take several months by which time both American entrants would be declared and this would be shrinking the size of the market that is still available.

Most decision makers would visualize a choice as clear cut as this, but Lord Beswick, the British Aerospace chairman, has gratified the French by agreeing to participate in a joint engineering team to study the French project. The latest indications are that not satisfied with this piece of British fair play the keeper of our aerospace fortunes has now agreed to "lay the X-11 on one side" while the A200 is studied in detail.

If it should appear after these detailed studies that the A200 does not offer the requisite commercial potential, then the intention presumably is to fall back on the X-11 which will then, it is fondly believed, be received with enthusiasm by a chorus of adoring airline who knew it was the best all along.

The main reason for this suicidal course of action is apparently that the French have said they will not come in on the X-11, but as a certain lady once said "they would wonder why".

By taking this action they knew British Aerospace would feebly drop its own project and go in with theirs. One wonders how strenuous have been the efforts to find other collaborative partners in Italy or Spain or with Rockwell in the United States.

The French are offering aeronautical leadership in their project to the British and this is straining credibility somewhat, but the main problem is that one project offers a good prospect of making a return on investment and the other will cause the taxpayer a thumping great loss and bring the aerospace industry to a lingering and painful death.

Lord Beswick may well be prepared to ask the last British Aerospace employee to turn out the lights as he leaves but the Prime Minister is too smart an operator to be taken by a legerdemain.

Geoffrey Pattie
The author is Tory MP for Chertsey and Walton and vice-chairman of the Conservative aviation committee.

"It is awful—and I don't like it, Do you?"

says Dick Emery

... old folk totally left out at Christmas, and facing next year all alone, all day every day. And not enough of us do anything about it.

Do something in time for this Christmas, with me—give Help the Aged a helping hand with the money they need to get more Day Centres in towns all over Britain. So that lonely old men and women have somewhere cheerful to go and where they can make friends. Or help the volunteers bring food to hungry old people in countries where the scraps off our Christmas plates would seem like a feast.

Send the best Christmas Gift of All—Hope to someone who needs it.

How You Can Help

Equipment for a Day Centre: £10 does a lot towards equipment for another friendly centre for the lonely.

15 Good Meals for old people near starvation in Asia: £3.

£150 perpetuates a loved name on a British Day Centre and helps it start. Or a hospital bed overseas £100.

Someone lonely or hungry waits for your Christmas goodwill gift.

Please use the FREEPOST facility and address your gift to: Hon Treasurer, The Rt Hon Lord Maybray-King, Help the Aged, Room 11, FREEPOST 30, LONDON W1 7JZ.

* Please let us know if you would like your gift used for a particular purpose.

Bernard Levin

Perpetual serfdom: this is the full horror of life in the Chinese compound

Some months ago I read a long account, by Professor Edward Luttwak (published in the American magazine *Commentary*), of a visit he had paid to China. Partly by a series of fortunate accidents, and partly through his own persistence, scepticism and scholarly integrity, he had managed repeatedly to get behind the smooth wall of propaganda presented to visitors to China and see a good deal of the reality behind it. Professor Luttwak was primarily concerned to describe what he saw and heard, and I thought his article so important and so valuable that I devoted three successive columns to summarizing and quoting what he wrote.

I have now obtained another series of articles on China, this time not by a university teacher but by a newspaper journalist, Mr Ross Munro of the *Toronto Globe and Mail*; Mr Munro's articles seem to me to bear out in a striking manner Professor Luttwak's conclusions; they are particularly interesting because Mr Munro has been a correspondent in China for some two and a half years, and was thus there during the upheavals which preceded and followed the death of Mao Tse-tung, and also because he clearly developed, over the period of his assignment, a considerable admiration and indeed affection for the Chinese people, so that it is quite clear that he was not unconsciously let along deliberately fitting his observations into a pre-existing ideological pattern. Moreover, just as Professor Luttwak's account displayed the best kind of rigorous academic mind, so Mr Munro's is evidently that of the best kind of shrewdly observant reporter.

The motives of their rulers are unlikely to trouble the Chinese people; but if their own lives are made less bitter, the control exerted over them less complete, the tyranny of communism less cruel, they will no doubt count that as gain, and rightly. In that sense, and in that sense alone, it may be that Mr Munro's articles describe a static condition: China, it is clear, is beginning to move again, and I therefore propose to do the

same with his series, this week as I did with Professor Luttwak's article. (For those who read his long article in last Sunday's *Observer*, I should say that none of the material I am using appeared there.)

Before I begin, however, a word of caution is perhaps appropriate. The conditions depicted in Mr Munro's reports are now subject to what, it is already clear, is an upheaval in China that goes far beyond the firm establishment of control by her new rulers, and the elimination of any possible opponents or rivals. It is too early to make confident predictions about the course of the new regime, except of course that it has no intention of allowing anything in the way of a genuine opening of the world's most closed militarist society. But already there have been signs that the harshest repression is being eased: the nearest comparison is with the Vorster Government's relaxation of "petty apartheid" in South Africa.

Such easements will obviously be welcome to the Chinese people. So, and perhaps more so, will be a similar relaxation (also clearly in evidence) in the ideological fanaticism of Mao and his "Gang of Four", though the ludicrous accusations against the late charges of Stalin's "Terror". China's new rulers have clearly set themselves the goal of ensuring economic advancement, one of their most urgent tasks is making up the appalling gap caused by the virtually complete destruction of Chinese education during the "cultural revolution".

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VOTING FOR EUROPE

The House of Commons will be voting today on which type of electoral system to adopt for the first direct elections to the European Parliament. In one respect, and in one only, the vote is relatively unimportant. Whatever system is adopted for the first election, the system for the second will be decided by the European Parliament itself and will apply throughout the Community. Since every other member favours some form of proportional representation Britain will have to fall into line. There seems to be little point, therefore, in making one last gesture of defiance tomorrow by voting for the familiar British system under which the first candidate past the post represents a single constituency. Yet this is precisely what the House seems bent on doing if voting predictions are correct. The reasons will have a lot to do with domestic politics and very little to do with which system will actually cause Britain to be better represented in Europe.

The first result of adopting the British system will be to delay the elections well beyond the target date of May or June next year. This is mainly because the Boundary Commission will have to go through the lengthy procedures of drawing new European constituencies. England will have sixty-six, Scotland eight and Wales four, while Northern Ireland will elect three members by the single transferable vote system. All this work will be for one election only. The delay is obviously what attracts a number of MPs, both those who are against European elections altogether and those who want them postponed until after the next British general election. Better late if ever, is the motto.

The other main attraction for members of the two main parties is that choosing the British system will help to discourage Liberal hopes of introducing proportional representation for one election only. The delay is obviously what attracts a number of MPs, both those who are against European elections altogether and those who want them postponed until after the next British general election. Better late if ever, is the motto.

The other main attraction for members of the two main parties is that choosing the British system will help to discourage Liberal hopes of introducing proportional representation for

British parliamentary elections, and will also ensure that no Liberals are represented in the European Parliament unless, perhaps, the Dutch or some other particularly selfless Europeans, offer hospitality on their lists. Conservatives do not want to encourage Liberals, who generally take away their votes, and the left wing of the Labour Party is particularly anxious to do the Liberals because, as Mr Ron Hayward said at the weekend, coalition governments at Westminster would mean goodbye to dreams of a "democratic socialist Britain".

These are politically understandable if scarcely very worthy reasons for choosing the British system. There are some slightly better reasons. The system is familiar to everybody. Its results are easy to understand. It makes each member a clearer representative of his constituency, albeit such a large one that representation is bound to be less personal than at Westminster. More usefully, it enables voters to choose more deliberately between candidates with different views on Europe, particularly between those who favour a federal Europe and those who wish to preserve as much sovereignty as possible for the nation state. This will be one of the important issues of the election.

However, the arguments against the British system and in favour of proportional representation for European elections are stronger. Adopting the British system will mean keeping the whole of Europe waiting beyond the target date for reasons which are hardly likely to find very warm understanding. This is not likely to promote broader British interests in Europe. The British system will also be unfair, and be seen to be unfair, in denying the

flexible "setting" in which a child may be in advanced classes for the subjects he is good at and slower ones for those he finds harder.

As far as selection at entry into school is concerned, he says that parents should have more scope to choose between schools in their district, while the schools themselves should be able to select pupils with an aptitude for whatever specialist subjects they teach. He claims any desire to see the disparities in quality between good and bad schools widened by these developments. No stampede of able pupils towards well-regarded schools need result, he says, so long as there is "that same parity of esteem for which the architects of the old tripartite system hoped". But of course parity was never more than a pious hope in the old system, and we know today that it is not necessarily much more in a comprehensive one. Selection of pupils by specialist aptitude is right and natural where Russian or music are concerned. But it easily shades into selection by general aptitude, which would tend to entrench that difference between grammar comprehensives and secondary modern comprehensives that Mr St John-Stevens clearly identifies as incompatible with the "comprehensive ideal" to which he adheres.

Mr St John-Stevens lays claim to a distinctively Tory appreciation of the importance of variety in the system. Yet the variation in teaching methods, disciplinary style and special subjects that he calls for has already been accepted by Mrs Williams as something worth fostering. Of course, the Government's conversion on these matters is so recent that the Tories can fairly claim that their own concern is the best friend of the comprehensive school and that Labour governments, with their insistence on hustling local authorities into reorganization, however hastily devised and ill-financed, have behaved as its enemies. He hopes to retrieve the "comprehensive ideal" from the disrepute into which it has fallen. He would like to see an end to schools on split sites, or with makeshift accommodation and poor facilities. That is not very contentious:

A GREAT PARTNERSHIP

... until September, 1908, when I married and lived happily ever afterwards. With those words Sir Winston Churchill ended that enchanting book *My Early Life* and did much to explain the success of his own career. Like many men who have tempestuous lives he required a secure domestic background to sustain and refresh him. That was what Lady Spencer-Churchill provided throughout the fifty-seven years of their marriage. In the many disappointments and reverses that interspersed the triumphs in his long years in public life he could always be sure of a contented home and warm family affections.

But while marriage was her vocation, she was not one of those wives who remain always in the background, loving but largely unnoticed. She was a gracious hostess, at ease on

public and private occasions. She was also a person of decided views and vivid personality, whose impact was not lost even in the company of such a forceful character as her husband. She lived at his side but not simply in his shadow. She contributed positively and enthusiastically to the success of his career, but without sacrificing her own opinions. She was loyal in action, but firm with advice. The periods of her life that will be recalled most readily by the majority of people today are the war years and Sir Winston's retirement. During the Second World War she was the ideal consort to a great national leader: charming, imposing, but with her own distinctive interests as well — most especially as chairman of the Red Cross Aid To Russia Fund. In Sir Winston's old age she was the ever-present comforter. But it is when things are

not going well that a wife's achievement is often greatest. In the earlier years of their marriage, when Sir Winston's career experienced as many downs as ups, she was his spirited champion, campaigning on the hustings with him in one election instead of him, when he was out of action through illness and never losing faith in his destiny.

That quality was particularly valuable during Sir Winston's years in the wilderness during the 1930s. It was in no small measure due to her that he emerged from that experience with his spirit toughened not broken, with his energies unpaired and with the confidence to inspire a nation. It is for that reason above all others that this country owes a debt to a great lady of individual accomplishment whose life's work was a partnership.

Unwritten laws

From Mr J. J. Doherty

Sir, In his review of Fort Grumman's *Universal Declaration of Human Rights*, of which Article 1 begins: "All human beings are born free and equal in dignity and rights", and can anyone doubt that the Assembly was expressing a generally held consciousness of objective rights quite independently of the legal situation in any country, and by which it is possible validly to criticize any and every regime? Is

it not the same consciousness to which Sophocles refers in the eloquent words which he puts into the mouth of Antigone in her appeal to the "unwritten laws" which are eternal and absolute and cannot be cancelled by man made edicts? Yours faithfully,

J. J. DOHERTY,
136 Colestall Road,
Birmingham,
December 8.

Postal services

From Mr G. V. Wolf

Sir, We often have cause to complain about the postal service. However, the following service is surely a record in efficiency —

On Thursday, December 1, I posted two postcards, second-class mail, at Croy, which is a small hamlet in the most north-eastern tip of the Isle of Lewis in the Hebrides. One postcard was addressed to my house, in

Cheshire and one to my office in Manchester. I returned to Manchester on the same day and to my very great surprise, these two postcards were delivered at the respective addresses at 8 o'clock on the morning of Friday, December 2. Praise should be given where praise is due!

I do not think there can be a bigger contrast from the service mentioned above to the one we experienced two weeks ago when a letter posted first-class in London (Kennington) reached this office in Manchester 10 days later. Is there an explanation for such a difference in the service?

Yours faithfully,
G. V. WOLF, Chairman and Managing Director,
Victor Wolf Limited,
Chemical Manufacturers,
Victor Works,
Croydon,
Clayton,
Manchester,
December 8.

LETTERS TO THE EDITOR

The Crown Agents inquiry

From Mr Edward du Cann, MP for Taunton (Conservative)

Sir, Professor Stamp criticizes me for "extraordinary complacency in regard to the Exchequer and Audit Department". He attributes to me an attitude which I do not possess, and never have. In the very remarks of mine of which he complains (made at Question Time in the House of Commons, not in debate) I said that Parliament gave the E & AD the tools to do its job efficiently. The Professor needs to do his researches better.

Of course, I have strongly defended the staff of the Exchequer and Audit Department. Who else will, if I do not? They are a most conscientious body of public servants. They work efficiently, as the reports of the Public Accounts Committee (ten in the last parliamentary session) show clearly. They deserve all the support they can get. I shall give it to them through

the regional list system proposed in the European Assembly Elections Bill is not ideal. It has faults which could still be worked on. It is, however, preferable to the first-past-the-post system.

It would enable the elections to be held earlier, possibly even by the target date. It would cause British opinion as a whole to be more accurately represented, which is particularly important in that the European Parliament is less concerned with finding majorities for legislation than with exerting representative democratic pressure on the Commission. It would also make for a less abrupt change when a common system is adopted for the second European election. And it does not have to be the thin end of the wedge that some members fear will one day bring proportional representation to Westminster — that is still for Westminster to decide.

It would be enormously encouraging, especially for Britain's friends in Europe, if a majority of the House could, against all expectations, lift their eyes above their smaller concerns and demonstrate today that they see Europe as something more than a rather inconvenient appendage to British politics.

It would be agreeable enough to read from time to time in the newspapers eulogistic comments on the work of the Public Accounts Committee. When its reports are published, I believe, it is only too conscious of the shortcomings and lack of achievement of both the Public Accounts Committee and the Select Committee on Expenditure.

The truth is that there was a time when the British system of Committee and controls was light years ahead of other countries. It

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Absenteeism in the House

From Mr Timothy Raison, MP for Aylesbury (Conservative)

Sir, I don't altogether dissent from the criticisms in your leader "Absenteeism in the House" (December 9), of the way in which the House of Commons has been handling the Scotland Bill. Whatever the reasons, attendances have been sadly low, and supporters of the Bill have been conspicuously absent. (Perhaps one reason is that many who voted for the Bill at the start you get an orderly and systematic treatment of them, is untenable. What you get is an artificially which inevitably provokes some debates, just as it does our others.)

This crucial issue—which the press incidentally seem to have overlooked—was only one of a number of major points which have escaped proper examination. This theory that if you guillotine Bills at the start you get an orderly and systematic treatment of them, is untenable. What you get is an artificially which inevitably provokes some debates, just as it does our others.

I do not, however, believe that you have really understood the full impact of the guillotine. You say, quite rightly, that "the prospect of the referendum does not therefore reduce by one jot the responsibility of members to scrutinize this measure clause by clause". Nor does it: but the guillotine makes this utterly impossible.

Let me give an example of what happens. On Wednesday, December 7th, when you took your first attendance figures, moved very quickly at about 7.30 pm to a rather narrow amendment designed to elucidate the powers to issue guidelines to the Scottish Development Agency which the Government propose to retain. The debate swelled out into a wide ranging debate about the Scottish economy, with lengthy contributions from a Labour MP, the ex-Labour Mr Silvertown, and a Scottish Nationalist.

This debate took up the whole of the period (up till 10 pm) allocated for three clauses; and as a result of which would have made it perfectly possible for the Scottish Assembly to take a quite different

line over incomes to that of the Westminster government—to pay the firemen 15 per cent for example, at a time when the national policy is to abide by a firm 10 per cent.

This crucial issue—which the press incidentally seem to have overlooked—was only one of a number of major points which have escaped proper examination. This theory that if you guillotine Bills at the start you get an orderly and systematic treatment of them, is untenable. What you get is an artificially which inevitably provokes some debates, just as it does our others.

Nevertheless, I do not accept that the critics are not offering a sensible opposition, and I doubt if either. We may not have been speaking to packed Benches, but we have—both in the last session and this one—brought forward as well as we are able a range of important points—some broad, some detailed—which the press has overlooked, at least we have brought them up. Indeed, the press overall (though, not you) has contributed strongly to a great debate.

Now do the critics of the Bill believe that the argument in the Chamber no longer matters. If there is to be a referendum, it is preparing the ground for it. But must we really assume that members will not vote according to their convictions on third reading, just as they did on the guillotine in the last session? Yours faithfully,
TIMOTHY RAISON,
House of Commons.
December 9.

Attack on National Front

From the General Secretary of the Communist Party of Great Britain

Sir, By exposing the National Front as it did in its recent party political broadcast, the Labour Party has rendered immensely valuable service to all progressive people and to Britain. The fact that it is exercised an adequate control over its expenditure, and that the party has equipped itself with

Science report

Batteries: Modelling the future

A pair of satellites recently launched from Cape Canaveral should considerably increase our knowledge of the magnetic field surrounding the earth. One of the satellites, built by the European Space Agency, contains a small battery which represents a technical advance of a strictly down-to-earth variety. For the first time in Europe the stringent specifications on the operation of a space-craft battery have been met by direct calculation rather than by a tedious process of trial and error. The ability to do such calculations is a crucial factor in the development of battery vehicles.

Satellites, get most of their power from solar cells, but they also need batteries to provide electricity during eclipses and periods of peak demand. A battery in a satellite has to be extremely reliable and must last for a long time: that implies that the temperature difference between the cells of the battery must be small and the temperature of the battery has to be kept within certain limits. High temperatures can have unfortunate consequences: clouds of vapour and smoke can be given off, and that is clearly undesirable. It would be disastrous in a satellite, and would not inspire confidence in battery-driven vehicles.

Small Welsh choirs change the tune

By Tim Jones

It is said of a plethora of less demanding amusements that the great choirs of Wales survive. Chapel and piers, once the pivotal centre of mass music, may close but the choirs remain a phenomenon of the industrial south. Critics who forecast that the choirs would decline in proportion to the availability of television in the valleys and industrial centres have been forced to reassess their opinions.

But while the great male voice choir of up to 140 members retain their prestige, there is a growing feeling that they are too safe and too safe.

Increasingly in the country there is a great enthusiasm on the smaller male choirs who forsake "the Rhondda" for Bach, Beethoven and Brahms.

Next month Cardiff Polyphonic Choir and the Philharmonic Orchestra will combine in The Netherlands, and Dr P. Strangman of Elektroakustika, Denmark. They have set up a computer model for a small nickel-cadmium battery used in spacecraft and calculated the performance of the battery using many modifications of existing standard computer programs. Measurements on a real battery verified the results of their calculations.

The technique seems therefore to work and will obviously be of great practical significance for the development of future batteries for spacecraft and for electric vehicles. The behaviour of the battery in orbit at present has been predicted by this technique; a multimillion pound sound satellite mission is relying on it.

By Nature-Times News Service, Sources: Journal of Power Source, December (vol 2, p 147; 1977); ©Nature-Times News Service, 1977.

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Surrender document makes £3,100

By Geraldine Norman
Sale Room Correspondent

A copy of the final draft of the German Armed Forces to Field Marshal Montgomery, drawn up on May 4, 1945, was sold at Sotheby's yesterday for £3,100 (£800 to £1,000). The buyer was Mr Donald Wilson, a British private collector.

The draft is typewritten on paper headed "German Armed Forces to Field Marshal Montgomery" and has pencil emendations in Montgomery's hand. The final document, signed in Montgomery's carabin at Lüneburg Heath, now in the Imperial War Museum, bears the same manuscript emendations. No other drafts of the document are known.

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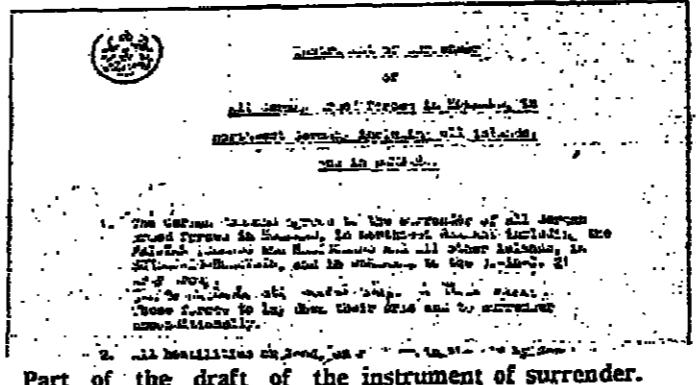
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Part of the draft of the instrument of surrender.

book kept by a West Country draper between 1654 and 1657.

Christie's sale of a Chinese ceramic and works of art yesterday contained a rare group of six *famille verte* plates traditionally held to have been made for the sixtieth birthday of the Emperor Kang Hsi in 1713. They are of outstanding quality, each differently decorated with simple and attractive birds and figures, designs usually associated with *famille rose* "Chinese taste" pieces.

The prices emphasized the importance of condition. The top price was £10,500 (estimate £6,000 to £12,000) for a plain *plaquiné* decorated with a chrysanthemum on a flowering branch. The lowest was £2,400 (estimate £3,000 to £5,000) for a bird-decorated plate, chipped with a 1½-inch crack.

The sale made £221,728 with 22 lots unsold. The sale of the contents of 22 Kew Palace Gardens, held by Christie's yesterday on behalf of the family of the Duchess of Marchioness, realized £10,450, with 3 per cent unsold.

Article 14(1) provides: "... no person shall... (a) publish... any advertisement... soliciting or encouraging members of the public generally to... or... (b) do any other act calculated to solicit or encourage members of the public generally or members of any particular class of the public to take up such employment or residence...".

Mr David Tudor Price for the Attorney General: "Mr J. Lloyd, QC, and Mr Brian Warner for an anonymous man, who was acquitted at trial."

THE LORD CHIEF JUSTICE said that article 14, which had been described as a Draconian provision, was designed to prevent the association of the public with the movement of emigration to Southern Rhodesia.

The man placed in various newspapers advertisements reading "Wanted men/women £150 per month overseas" and giving an address to which a reply could be sent, and arrangements were then made for appointments at an hotel. After the meetings or made out application forms or made out arrangements for contract under which the named applicant would go to Southern Rhodesia.

The indictment contained 10 counts, each naming one of the persons interviewed. The form of each count was to name the intended man and then claim him with "promoting emigration to Southern Rhodesia, contrary to section 2 of the Southern Rhodesia Act, 1965, and article 14(1)(b). The particulars given were that on a day between March 20,

Law Report December 12 1977

Court of Appeal

Emigration to Rhodesia: ban breached after public advertisement

Attorney General's Reference (No 2 of 1977)

Before Lord Widgery, Lord Chief Justice, Lord Justice Cumming-Bruce and Mr Justice Park

The prohibition against soliciting or encouraging "members of the public generally" to emigrate to Southern Rhodesia is breached by a person who inserts an advertisement in newspapers for persons to whom he offers or employs in Southern Rhodesia, namely, sent him an application form for the department of Immigration Promotion of Rhodesia.

During the trial objection was taken to the charge. The substance was that the offence under article 14(1)(b) related to members of the public generally and only one member of the public was identified in each charge, which was not enough to amount to the offence.

The Crown's answer was, to rule on the Interpretation Act, 1889, by virtue of which the plural could include the singular, so that the offence was directed to a single individual, not a class.

The trial judge was unable to accept the Crown's argument. His

ground was that translation of plural to singular depended on the context permitting it and the context of the offence excluded the Interpretation Act. His

reasons, given in a formal ruling at the end of argument, were first to ask "How can one read 'members of the public generally' to include a class?"

His Lordship ventured to think the answer to that rhetorical question was that, if one altered

the semece of words by a trifl

it would make sense at once".

"A member of the public generally" is

exactly the same as "a member of the general public". There was, therefore, no difficulty about applying article 14(1)(b) to the situation.

The trial judge went on to say

"The context is such that it is

impossible as I say to read (b)

as in the alternative a member of

the public generally". Had the

word "generally" not been there the argument adduced by the Crown would have been sound

but as it is I have come to the

conclusion, therefore, that these counts do not disclose an offence within that apparently intended to be an offence under article 14(1)(b), and in those circumstances this submission succeeds".

Their Lordships' view was that

SPORT

Football

Greenwood to do more than just restore England team's status

By Norman Fox

Football Correspondent

Ron Greenwood, who was eventually confirmed as England's "international team manager" yesterday, will be expected to spread his responsibilities well beyond his title. Within the coming month he will choose his assistants and after that begin to supervise the integration of coaching at all levels. If the Football Association selection committee had wanted no more than a manager to restore the senior team's status they would probably have been tempted by a different candidate.

Professor Sir Harold Thompson, chairman of the FA, strongly denied any serious disagreement within the seven-man committee despite a delay which was interpreted by some as an indicator that the members were not all in favour of promoting Greenwood to full England manager. Nevertheless, Sir Harold said the decision was unanimous. It could be that the hesitation was to do with the terms of Mr Greenwood's contract.

Although Sir Harold stressed that there was nothing binding about the date, he gave July, 1980, as the end of the contract. This will give Mr Greenwood time to take England into the European qualifying round competition in Italy this year but possibly allow the FA to reconsider should he fail. There would then be a short time in which to make alterations in the hope of qualifying for the 1982 World Cup.

The FA gave Don Revie a five-year contract in July, 1974 and a salary of £25,000 a year. Mr Greenwood can expect a similar salary or possibly more because the FA will not be able to pay him more than his club, West Ham United. Yesterday the West Ham chairman, Reg Pratt, said: "You never had a contract and there is no question of money changing hands." The club's board of directors are expected to confirm John Lyall's appointment as manager today.

Several times in his four months as temporary manager of England Mr Greenwood indicated that he would like to be given the opportunity to continue as manager next week. There was a powerful campaign on behalf of the Nottingham

Forest manager, Brian Clough, who was said to be "the people's choice". Be that as it may, the FA committee have chosen the man they feel best suits their plans for the reconstruction of football from the roots. They were unable to ask him personally whether he would formally accept the position before the decision was made public. Unsuccessful attempts were made to contact him during and after the committee meeting which lasted two hours and a half.

Sir Harold said: "If Mr Greenwood does accept he will need a couple of weeks to consider several people who will help him in his work but we can't say whether they will be part-time or full-time. He was not promised a permanent position but Mr Greenwood was likely to remain Geoffrey Hurst and Bill Taylor who helped him in the three matches for which he was temporary manager after Don Revie's resignation five months ago. Their roles still the responsibility of Bob Robson and David Sexton helping in the coaching of the full and future "B" international teams.

The most persuasive virtues in favour of Mr Greenwood were obvious, but Sir Harold preferred the description of the man as "a jolly decent fellow". One sensed that this would be recorded and revived on future days when, perhaps, things go badly for Mr Greenwood, who is not qualified to football manager. He serves on FA technical committees and is widely considered to be the outstanding British coach, although his critics say his record as manager of West Ham did not accurately reflect his qualifications.

England's defeat of Italy at Wembley must have improved his chances of continuing in a position he clearly enjoys. He is also a born student of international football, but at 55 may have thought that the FA would consider appointing a younger manager. However, the fact that Sir Harold had made him a member of the FA's selection committee who would restore his respect was important and, as he said yesterday, the match against Italy may have been a turning point, but was not cause for euphoria.

Mr Greenwood has settled easily into international management. He travels widely in Europe and



Sir Harold Thompson, chairman of the Football Association (right) and Ted Croker, secretary, at yesterday's meeting of the selection committee.

tomorrow goes to Dortmund to see Wales play West Germany.

On February 22 England will play in West Germany at Munich.

Failure to qualify for the World Cup has left England

attempting to find good-class opposition for a summer tour, but before the Brazil game at Wembley on April 15, so far, no suitable

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Naturally, the Nottingham Forest club official tried to balance

his view of horrors with the FA

and he released him. Then vice-chairman, Stuart Dryden, said: "I am delighted for Nottingham Forest but I can't understand the FA making a mistake of such gigantic proportions in not

allowing Brian Clough to

have his match with Mr

Clough himself said: "I wish him

well and hope he has a very suc-

cessful time. I am obviously

slightly disappointed just as any

one who got an interview

with a top job and doesn't get it

is bound to feel."

Alan Hartaker, of the Football League, said: "I think it is an excellent appointment. I have

met Brian Clough and he is a hard

working manager of football at

all levels. He is not a 'yes' man

and he has the character to disagree with someone without falling out with them."

Bob Robson, who could still

be involved in future appointments, said: "It has gone to a very capable man and I wish him

the best of luck. I hope he will get the support of every English

club manager because that's what

the job will need."

Reactions to the appointment were almost all favourable.

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When will
recession be
reversed?
Page 25

High Street sales in November decline for third month running

By Caroline Atkinson

Christmas began a little late this year for the High Street shops. Retail sales fell back in volume terms last month in contrast to the usual November upturn.

Provisional government estimates published yesterday show a fall in sales last month for the third month running. The level of retail business in the latest three months was nearly 2 per cent lower, at an annual rate, than in the previous three months.

However, there is some evidence from retailers that spending picked up in the last week of November when the Chancellor's latest tax cuts started to come into weekly pay packets.

The Government has consistently maintained the buoyancy of demand in the economy this year. This latest figure that consumers are still reluctant to spend suggests that the sluggish performance of output will continue.

Most forecasters are expecting a strong rise in consumer spending next year to be the main force behind growth in the economy. As inflation continues to moderate and earnings increases step up, there will be substantial boost to real incomes. This should then lead to a revival in consumer spending.

One possible reason for the drop in retail sales from the summer peak is that wage settlements have been delayed. Many groups of workers have been playing a wait-and-see game until the pattern of phase three settlements became clearer.

This could work to the Government's advantage. The longer the rise in earnings is delayed the further the decline in the rate of inflation will go. This

RETAIL SALES

The following are the seasonal adjusted figures for retail sales released by the Department of Industry:

	Percentage	Sales by £m	£m
Jan	+1.5	+17	
Feb	-1.5	+16	
March	+1.5	+15	
April	+1.0	+12	
May	+1.2	+15	
June	+4.1	+16	
July	+4.3	+16	
Aug	+10.9	+16	
Sept	+11.8	+14	
Oct	+4.8	+13	
Nov p	+1.7	+10	
p provisional			

Source: David Strauss, Washington, Dec 12.

Washington rejects trade offer by Japan

By David Strauss
Washington, Dec 12

Japan's latest offer to improve trade with the United States fell "considerably short" of American requirements, Mr Robert Strauss, President Carter's special trade representative said today.

The suggestions, which were originally made by Mr Naotomo Uchida, the Japanese Minister of Overseas Economic Affairs, during an opening round of 44 hours of talks here, were "insufficient for us to come to grips without concern" trade and economic problems, Mr Strauss said.

He declined to go into details of the Japanese offer, but it is understood to include tariff reductions and quota increases on dozens of items imported into Japan.

The Americans, however, want Tokyo to meet a clear target date for the elimination of substantial reduction of its growing trade deficit with Japan.

Japan's current account surplus for the year is expected to total some \$10,000m (about £545m), nearly all of it with the United States, and the Japanese Economic Community.

Mr Strauss said: "The minimum goal" for the United States negotiations with Japan required action that would bring about a substantial shift in the American trade deficit. "We will not be satisfied until that happens."

If industry is not prepared for the consequent spurt in demand there could be an unfortunate spill-over into imports. The Treasury is already forecasting a substantial 11 per cent rise in import volumes next year.

The weakest retail sectors at the moment are in food and heavy consumer durable goods. Other non-food shops have reported a sharp improvement in business in the past few days.

The United States, Mr Strauss said, was trying to be constructive in its discussions.

National Starch and Chemical 'will fit easily into existing interests'

Unilever to pay £260m for US group

By Ronald Pullen

Unilever yesterday announced that it was pressing ahead with the purchase of National Starch and Chemical Corporation for a total cost of £485m (£260m) in one of the largest cash deals by a British-based company.

The Anglo-Dutch food-to-detergents group is offering \$75.50 a share for the 61 million shares in National Starch, a New Jersey-based producer of adhesives, starches and industrial chemicals.

Shareholders will be offered an alter-

native to take newly issued preferred stock, yielding \$3.31 a share or 41 per cent which, to comply with United States tax regulations, has to be accepted before the deal is effected.

Terms of the acquisition have been approved by the board of National Starch. Mr Frank Greenwall, who is a director and chairman of the executive committee of National Starch, and his wife have agreed to support the purchase with their 15 per cent shareholding.

Sir David Orr, chairman of Unilever, said yesterday that the group had been looking in earnest for a way to grow bigger in the United States for at least eight months, since it would "continue

to be one of the most stable business areas in the world for the next decade".

He admitted that the search for a suitable acquisition had been "a long and arduous road", partly because a purchase of an existing consumer-orientated business could have led to difficulties with the United States anti-trust authorities.

Strong management and an easy fit with Unilever's existing large chemical interests, Sir David explained, were the major reasons why he had been attracted to National Starch.

For the past four years Unilever had been expanding away from commodity based trading interests towards specialty chemicals and National Starch fitted into this strategy as well as providing the existing United States interests of Unilever with a complementary industrial arm.

National Starch last year had sales of \$33.9m and net earnings of \$2.4m, making it the 39th largest American chemical concern and the 47th biggest industrial concern.

About three quarters of National Starch's output serves the home market and the rest is exported. The group has an impressive record, with sales and earnings rising over the last decade.

Unilever is, then, paying some 19 times

last year's earnings for the group: not unduly expensive for an American takeover.

With around a fifth of National Starch shareholders expected to take the cash alternative for tax reasons, Unilever will have to pay out around £400m in cash. Half of that will come from the liquid resources of Unilever NV, the group's Dutch arm, and the remainder will be raised by long-term borrowing, either in the United States private placement market, through a public debt issue or on the Euromarkets.

Relatively under-gear at the moment the acquisition will increase Unilever's borrowing as a percentage of shareholders' funds from 29 to 38 per cent.

The acquisition will be made through the Dutch arm, which holds the existing Lipton and Lever interests in the United States. These account for only 10 per cent of the group's capital employed and despite sales of \$1.48m and pre-interest profits of \$95m stiff competition in the detergents market has cut Lever's profits so far this year.

Provided all goes to plan and the deal is voted by National Starch shareholders the takeover will be effected by next February or March.

Financial Editor, page 25

LAING
MANAGEMENT
IN
CONSTRUCTION

Committee proves too select for its task

It was a rather embarrassed Mr Michael English, Labour MP for Nottingham West, that emerged from Committee Room 8 late yesterday afternoon to announce that insufficient MPs had turned up to provide a quorum for the Commons Select Committee on public spending.

For almost 30 minutes important witnesses from the Treasury and the Inland Revenue had paced the corridor, waiting to be called before an authoritative sub-committee of the all-Party Expenditure Committee.

Out of a theoretical total membership of nine only Mr English, the sub-committee's chairman, and Mr John Loder, Conservative MP for Havering, Upminster division, were present. This was one less than necessary for a quorum.

It was, Mr English said, the first time there had been such an occurrence since he became chairman early in 1974.

Certainly, it was an event strangely at odds with the frequent demands made by MPs for greater parliamentary scrutiny of the management of Government. Only last week, during the debate on the Crown Agents, MPs were in full voice on this issue. Backbench power and accountability was the cry.

Yet here was a deputy secretary and three under-secretaries from the Treasury, and commissioner from the Inland Revenue waiting to account for themselves.

Admittedly, the specific subjects to be discussed were of a rather abstruse kind. Essentially, they were related to three papers prepared earlier by the Treasury and Inland Revenue, of which the most important dealt with the possible inclusion of medium-term revenue projections in the annual expenditure White Paper.

It has long been argued that it is only possible to place public spending in a proper perspective if it can be seen in direct relationship to the flow of taxes and other receipts that finance it.

Namely, government departments see many difficulties in doing this, although they are ready to make some gesture in this direction.

But, abstruse or not, it is the sub-committee itself that has been pressing for this particular reform. The Treasury and the Inland Revenue were responding.

So where were the rest of the sub-committee members? Mr English attempted to account for them as far as he could. Mr Nicholas Ridley, Conservative (Cirencester and Tewkesbury), was, it seems on the floor of the House, taking part in the Polish ships debate.

Mr Fred Silvester, Conservative (Manchester, Withington) was in Manchester. Mr John MacGregor, Conservative (South Norfolk), had just been appointed a whip and his replacement, Mr Ian Stewart, MFC chairman, who gave warning that it would "redraw the battle lines between road and rail".

Mr Rodgers said the write-off would include all the debts relating to Freightliners and all but £5m attributable to National Carriers, which has been the corporation's serious lossmaker.

He told Mr Cohen that the Government also intended to make a grant of up to £15m to help to meet National Carriers' capital requirements.

In April this NFC reported losses of £15.3m in 1976.

Mervyn Westlake

Clarification sought over Elliott deals

By Michael Prest

A meeting of institutional shareholders in Elliott Group of Peterborough is to be held on Thursday. The meeting has been called by the company's stockbrokers, Sheppards and Chase, and will be held in their offices.

Institutions are thought to be unhappy about some of the explanations offered by Elliott when it revealed a half-year loss of £248,000 on Friday. They also want clarification of certain share dealings by directors of the company. A Stock Exchange inquiry into Elliott continues.

Elliott announced orders from Saudi Arabia worth £54m in August. In October it was announced that in fact no firm agreement had been signed. In the meantime three directors of the company had sold substantial numbers of shares at favourable prices. Mr E. V. Smith, chairman of Elliott, sold 335,000 shares for about £13,000.

Some institutions feel that even if the deal had materialized it must have been obvious to Elliott that it would not have improved the outlook for the current year. Two key questions they may raise are whether the directors knew the true trading position at the time of the original announcement, and whether all the losses had been written off.

The Government is keeping a careful watch on pay developments in the industry but believes the BSC to increase its offer of 5 per cent for 100,000 steel workers to the 10 per cent figure now regarded as "the going rate" in industry.

Borrowing dilemma: The corporation is expected to reach or exceed its present £4,000m borrowing limit late next year or early in 1979, Mr Kaufman, Minister of State for Industry, said yesterday.

He stressed, however, that the corporation would remain inside its £250m cash limit for this year and discussions were still taking place on the limit for next year.

But Mr Varley made it clear that no early statement on the measures to cope with the crisis could be expected much before the end of next month.

The price of closure will be high. Terms being negotiated will be "as good as any workmen will have anywhere in Britain" and will be no less generous than the deal arranged at the Clydene Ironworks seven months ago. The new redundancy will be £3,000 for lone-servicing workers.

Mr Sirs, who worked in the Hartlepool plant for most of his adult life, said: "It will be a blow to the town, and that is why we tried to retain steelmaking and rolling on the site. This plant had a labour relations record second to none. It has always produced first class steel, and on time. It is a tragedy."

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BY THE FINANCIAL EDITOR

Why Unilever wants National Starch

Unilever is to a large extent hoist with its own petard. The group is so large and amorphous—capital employed in 1976 was a shade under £3,000m and turnover was £8,730m—that almost any acquisition is likely to be a mere bagatelle on any overall view. So even though it is paying up to £483m cash for National Starch, that will not fundamentally alter Unilever's structure.

To achieve what is nevertheless a bold step by any standards, Unilever is still having to pay a fairly handsome price. Net earnings last year at National Starch were \$3.74 a share and assuming they rise to something over \$4 in 1977, Unilever is taking the company out on around 183 times earnings on the purchase price of \$7350. With financing costs of 4% per cent on the new preferred stock—which could account for up to a fifth of the total purchase cost—and the roughly similar after tax cost of the borrowing to fund the balance, National Starch will add only \$54m or 1 per cent to Unilever's 1976 earnings.



Sir David Orr, chairman of Unilever Ltd.

At the same time there is a hefty \$335m goodwill element in the purchase cost which will need to be written off Unilever's balance sheet. Half the purchase cost will be financed from Unilever N.V.'s liquid resources and the rest will be met by borrowing in the United States, so with only some \$40m of debt in National Starch's balance sheet the Unilever will be to raise gearing around 9 points to 38 per cent.

What makes National Starch that sort of prize? Although the growth in earnings from \$2.23 to \$3.74 over the past five years is not quite as impressive as Unilever suggests, the long-term earnings record—13 per cent a year over the past 20 years—is nothing to argue with and a glance at the working capital, stock and other balance sheet ratios indicates that National Starch's management is every bit as good as Unilever reckons.

For Unilever the acquisition provides it with an entrée not only to the United States but also the fast growing starch market (rising at 7 to 9 per cent year) which so attracted Tate & Lyle to Manbrey & Garton, particularly when any hopes of moving into the EEC starch market have been stunted by the recent levy decision.

At the same time the deal gives an industrial leg to Unilever's existing consumer-orientated United States interests and the fact that it will add some 23 per cent to American sales and more than a half to profits speaks volumes for the sort of pressure the Lever detergent side is facing.

Meanwhile, the financing of the deal should go smoothly. Assuming the Greenhalgh family and a few others take the paper option the cash element will be around \$400m and Unilever should have no trouble raising perhaps half that in the American capital market. One point also worth noting about the deal is that Unilever appears to have found an elegant way round United States tax rules by offering the preference alternative.

Harrison & Crosfield

A counter move for Malayalam

Harrison & Crosfield has been pushed into a full scale bid for its associate Malayalam Plantations (Holdings), valuing the company at £1.15m, to keep it from falling into the clutches of McLeod Russel. McLeod has yet to say whether it will stay in a certain amount of apprehension.

Business Diary: Present tense • Honkers and Shakers

The taxman has stopped John Whelmy from making what for more than 200 budding tycoons would have been the Christmas present of their lives. Whelmy, Business Diary readers may remember, had planned to give away his profitable shopfitting business Peterborough because, he said, he was fed up spending one day a week on government red tape.

The six people on the shortlist for receiving the firm—which employs 12, no debts, a full order book and a possible turnover this year of £200,000—have been told there's no give-away after all.

Whelmy has been told after months of argument with the Inland Revenue that even if he gives away the business he would have to pay £30,000 in gifts tax.

He has decided instead to hire somebody to do the paperwork for him—something he could have done months ago without risking the hopes of the 200 applicants only to dash them. But then there wouldn't have been all the lovely publicity, would there?

■ That inscrutable oriental institution, the Hongkong and Shanghai Banking Corporation, opened a new branch in London's Chinatown yesterday. The celebrations in Gerrard Street, Soho, were marked by a 'lion dance' the traditional accompaniment to Chinese celebrations.

The 'lion', which consisted of members of a Kung-Fu association, was energetic but exceedingly polite: as the tape was cut by Mr D. C. Bray, wife of the Hongkong Government commissioner in London, it waved elaborately, and then



A lion in Soho: members of the Pak Mei Kung Fu Association whose lion dance opened a new branch of the Hongkong and Shanghai Bank in London yesterday.

posed for an admiring public day of further British munificence towards shipbuilders in South Korea.

The branch is close to another Chinese bank, the Dao Heng, but Peter Huston, resident executive director of the Honkers and Shakers in London, says that they found the Pall Mall premises too small to accommodate the growth in Chinese business, and since Gerrard Street is the heart of London's Chinese—and restaurant—trade where much business is made, this was the place to open a further central London office.

The new branch expects to handle a lot of remittance trade, as the local Chinese queue up on payday to send their profits home.

■ As ministers and the Opposition yesterday wrangled over the terms of that Polish shipbuilding deal, there is news to

Safety first at Staffsford

Uncertainty about development of the Anglo-Norwegian Staffsford oil field, which with estimated reserves of 3,300 million barrels is the largest discovered in the North Sea, should soon be removed.

The Statoil/Mobil group is submitting plans for a second field platform to the Norwegian Petroleum Directorate (NPD).

The state oil company hopes that the designs will be approved without delay and that orders for the B platform can be placed early next year. If so, a new field development plan should be ready for approval by the Norwegian Parliament before the end of 1978.

Oilmen on this side of the North Sea will be watching the moves closely. Not only does most of the field lie in the British sector (Conoco, Gulf and the British National Oil Corporation together have an 11.11 per cent share in the reserves), but the development plans have been revised in the light of the NPD's well-publicised objections to the safety standards of platforms combining working areas and living quarters.

Originally, it was intended to develop the field using three concrete platforms, each capable of handling 300,000 barrels of oil a day. The first of these, A platform—is still being built out after being thrown into port in May. Christened belatedly by the Norwegian Prime Minister, Mr Odvar Nordli last month, it is expected to begin production in 1979.

However, 12 months ago—as A platform neared completion and contract negotiations were being held with Norwegian contractors and the Aker Group for the B platform—Statoil/Mobil received a terse and totally unexpected letter from the NPD directing that a separate living quarters platform should be provided with Staffsford B.

The new order had to be postponed. Additional safety features had to be built into the platform, which was further delayed.

Statoil now says that despite the NPD's directive, it is confidently continuing its plans for an integrated platform with production, drilling and living areas combined. It will be a four-legged concrete structure, of the Condeep type.

The deck will be larger than that of the A platform, but production capacity—will be 150,000 barrels a day—will be half.

Mr Arne Halvorsen, Statoil's information manager, said that regular discussions had been held with the NPD, which now appears to be reconciled to the view that adequate safety measures can be incorporated into an integrated platform.

Whatever the outcome, the field development plan will need to be revised. Almost certainly a third production platform will be ordered.

Whether or not it follows remains to be seen. It seems likely, though, that Statoil/Mobil will reduce the production profile of the field and the control of governments.

Optimists no longer talk seriously of preventing unemployment from rising during 1978: they merely say that if they succeed in persuading governments of the need to act then they might be able to get economic growth in the first part of 1979 up to a level where unemployment will fall or at least stabilize.

Even if they were to succeed, however, there is no prospect of the West bringing down its unemployment level in something in line with its traditional postwar experience until well into the 1980s. The world experienced nearly a decade of high unemployment during the 1950s, and it is almost certain that the (admittedly milder) recession of the 1970s and 1980s will last as long.

One of the striking features of the present experience has been that a growing number of governments have not just come to believe that it would be unwise to act to stimulate demand by fiscal means, because of the danger of inflation, but actually now argue that such measures can have no effect.

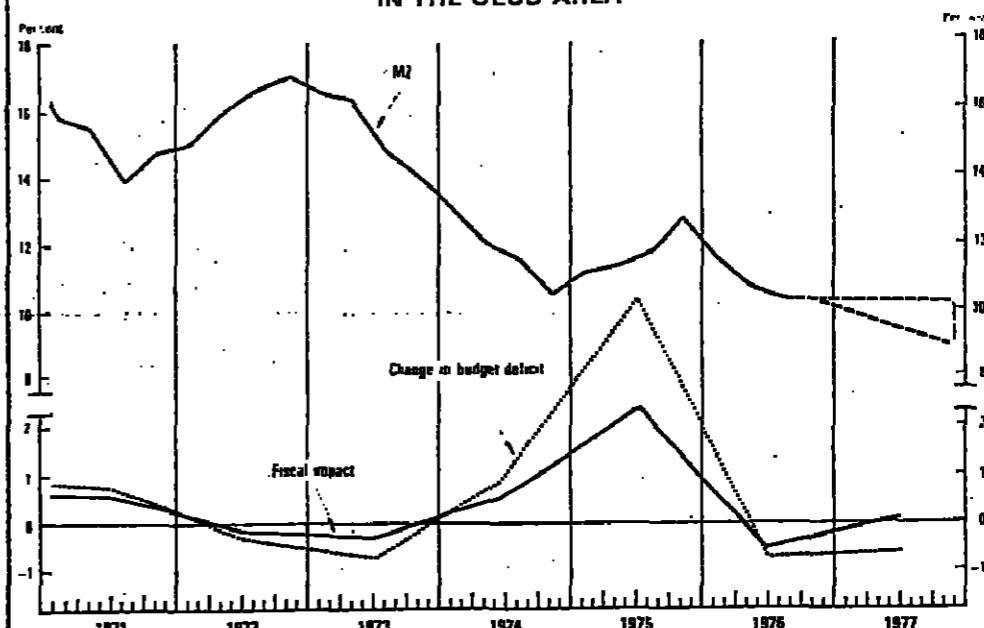
The chart ("Cyclical development of monetary and fiscal indicators in the OECD area"), reproduced from the report by leading economists under Professor Paul McCracken, casts grave doubts on this view. It shows clearly that from late 1973, when it became

John Huxley

David Blake on the widening gap between aim and achievement in the world economy

When will the drift be halted?

CYCLICAL DEVELOPMENT OF MONETARY AND FISCAL INDICATORS IN THE OECD AREA



apparent that the impact of the oil crisis would be to impose a severe contractionary effect on western economies, the fiscal stance of the major governments within the OECD became steadily more expansionary until the middle of 1975.

This expansionary stance was followed by a real expansion of the economies of the West, which by the end of 1975 were growing at around 5 per cent a year. "What would have happened if the western nations had pursued expansionary policies earlier?"

In the second half of 1975, fearing that the recovery was starting to proceed too fast, the governments turned to throttle back. Some were more enthusiastic about the process than others, but the constraints imposed by the world payments system meant that country after country was forced to fall into line.

These countries which were most willing to restrict domestic demand, such as Japan and Germany, relied on demand in other countries to provide their growth; having cut domestic demand and switched resources into exports they then proceeded to move into payments difficulties. The recession of the late 1970s of those countries which had not restricted output at home because they argued that a strong growth of output was needed to re-start the investment which would be needed to provide sustainable growth.

In retrospect, the recovery of late 1975 and early 1976 looks a great deal more fragile than it appeared at the time, particularly to those who feared that the world would repeat the mistake of the early 1970s and allow excessive rapid expansion.

The restrictive measures introduced from late 1975 onwards have been followed by a run-down in activity. Although this does not prove that changes in the stance of government cause changes in the level of activity, there is a strong pattern of coincidence in recent years between the two.

It also gives at least a reasonable degree of credibility to those who argue that if recovery is to proceed at a more rapid pace it will only happen if governments change their policies. There is, however, no realistic prospect of these being tried.

Whether or not countries such as Germany are right to disbelieve the efficiency of stimulatory policies they have shown no sign of being willing to change their policies. Their position is that they hope they have done enough to secure growth of 4 per cent in 1978, but that if they have not there is really nothing to be done.

In practice, there is no way in which it is possible for the other countries of the West to force the Germans to try to expand more than they feel is right; and there is only a little that can be done to force any action from the other major surplus country, Japan.

The Japanese have become the whipping boys of the world because of the extent to which they have been failing to meet the promises of growth which they have made to the rest of the world, and even more the degree to which their exports have continued to rise even though they say that they are moving towards payment balance.

The \$10,000m surplus of Japan this year will probably be followed by a similar surplus in 1978 unless some definite action is taken.

The danger is that the only kind of action which can in practice be taken will be for the rest of the world to deal with the Japanese surplus by measures designed to reduce Japanese exports which do nothing to increase the output of the world as a whole. The financial markets have been doing this to some extent already, with their enforced decline in the value of the dollar.

What the fall in the dollar's parity means is that the international money markets believe that the United States cannot go on being the only primary source of expansion.

This view is rapidly gaining ground in some official circles as well, and although United States government officials continue to insist that the policy it has usually pursued has been one of restriction and slowdown. It is no wonder that the forecast for next year looks bleak.

*Towards full employment and price stability published by the OECD, Paris.

TABLE 1
THE OECD'S JULY FORECAST . . .

Growth of real GNP (percentage change at annual rate)	From previous year					From previous half-year (2nd half)
	1974	1975	1976	1977	1978 (1st half)	
United States	-2.1	-1.8	6.1	5.1	5.1	5.1
Japan	-1.8	2.4	8.3	5.1	7	5
Germany	0.4	-3.2	5.6	4	3.1	3.1
France (a)	3.9	0.1	5.2	3	3	3
United Kingdom (a)	0.1	-1.8	1.4	1	2.1	1.1
Italy (a)	3.2	-3.5	5.5	2.1	2	2
Canada	2.8	1.1	4.9	3	3	4.2
All above countries	-0.6	-1.1	5.6	4.3	4.3	4.2
Other OECD countries	2.7	-0.5	2.9	2.3	—	—
Total OECD	-0.1	-1.0	5.2	4	4.1	4

(a) GDP

TABLE 2
... AND THE NEW OECD ESTIMATES*

	1977 (2nd half)	1978 (1st half)	1978 (2nd half)
United States	4	4.2	3.1
Germany	3	3.1	2.1
United Kingdom	3.2	3	2.1
Europe	2.4	3	2.1-2.2
Total OECD	3.1	4	3

*Subject to revision before inclusion in OECD Economic Outlook

THE CITY OF LONDON BUILDING SOCIETY

One Hundred and Fifteenth Annual General Meeting held on Monday 12th December 1977

The Chairman of the Board, Mr L.G. Kemington summarised the main features of the results of the year's activities as under:

INTAKE OF SHARE AND DEPOSIT CAPITAL

£21,417,027 was received and £12,872,287 was repaid leaving £8,544,740 as the surplus.

PROFIT

This was £237,499 after Corporation Tax.

ADVANCES £12,019,733 were advanced compared with £11,464,486 in 1976. The number of mortgages was 1,070 compared with 1,101 in 1976.

LIQUID ASSETS

Amount to £16,086,411 representing 26.5% of assets.

£9,500,000 is available now or within 7 days.

RESERVES

Stand at 4.00% of net assets.

ASSETS

£60,602,518 (£51,489,031 in 1976).

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FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Good gains for gilts, but equities drift

Gilt-edged stocks continued to dominate proceedings in the belief that a cut in interest rates is not far away and with out the restraint of a long "tap".

Widespread talk of another healthy trade surplus this week was an additional incentive for early buyers which put long-dated stocks more than a full point better in the first two hours of trading.

From 124p to 403p this year is the impressive climb of Park Farms. One reason, but only one, is gossip of the family eventually selling, possibly to Unilever. Another is the impression that in the year to March 31 next, the group will make as much as £3m and possibly more. Last year profits were £1.9m. The group is a close company, and there could be a scrip issue or income producing preference issue to spice, say, a 28p net dividend against 8.4p last time.

But from then on the sentiment deteriorated as the Scottish miners threatened industrial action if their colleagues in other areas pursued local productivity deals and retail sales figures for last month revealed some stagnation in consumer spending.

By the close most of the longer maturities were well

below their best with gains of around three-quarters while short dates were unchanged to quarter lower.

Equities once again suffered from a lack of direction at the start of the long Christmas account. Hopes that Glaxo's annual meeting would reverse the recent trading gloom from other major industrial companies were barely met by a cautious statement and the FT Index, two points up at mid-day, closed 1.4 lower at 484.5.

After early strength Glaxo

eased back to 597p, a rise of 5p on the day. Beecham, in some sympathy with Glaxo and helped by talk of a favourable brokers' circular, led the way ahead with a gain of 10p to 667p. Unilever on the other hand were unchanged at 554p after the National Starch move had dashed hopes of a rise in dividends.

ICI were a more typical issue, ending unchanged at 366p, while Lucas dipped a penny to 27p after its meeting had shown up the cost of the protracted strike.

Over in papers Martin News lost 4p to 226p after trading news and there was an even weaker performance from games

group John Waddington which slipped 20p to 232p, after 230p, on the group's gloom over the post-Christmas period.

In electricals suggestions that Rank's TV manufacturing business may be sold to Japan lifted the shares a couple of pence to 244p while Thorn slipped 12p to 256p. Henry Wigfall went against the easier trend closing four points better at 146p.

Interest is growing again in Pleasureama. Mr David Rowland sold 28 per cent to Grand Metropolis in June but has since purchased a further 12.1 per cent. This implies that control could be passed to either major shareholder or a third party. The market seems to think that such a deal may be imminent. The shares have risen from 58p to 71p bid in seven trading days and option dealers have reported a couple of calls as well.

The Australian election result gave a lift to uranium issues with Pan Continental £150 up at £87.5 and Peko Wallsend 25p ahead at 448p. Equity turnover on December 9 was £84.04m (13,423 bargains). Active stocks yesterday, according to Exchange Telegraph, were ICI, Rank, BP, Beecham, GEC, Burmash, Shell, Commercial Union, Zetters, John Waddington, Marbech Hall, Pan Continental and Brown Eversholt.

Latest results

Company	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Ass Brit Eng (1)	14.4(1.2)	0.05(0.004)	0.41(0.08)	(—)	—	(—)
Caffys (1)	17.4(14.2)	0.47(0.43)	(—)	2.0(1.7)	24/1	5.7
Carls Milling (F)	22.1(16.0)	0.71(0.75)	13.4(9.7)	1.75(1.55)	18/6	2.6(2.35)
James Crear (F)	17.8(13.3)	1.1(0.88)	15.23(11.75)	5.6(4.8)	—	8.5(7.3)
G. M. Firth (1)	3.7(3.5)	0.03(0.017)	3.29(4.18)	2.0(1.89)	—	2.0(1.89)
Deacons (F)	5.9(4.4)	0.03(0.013)	0.72(1.2)	0.5(0.4)	—	1.4(1.0)
James Grant (1)	(—)	0.38(0.34)	1.4(2.5)	0.37(0.37)	—	(—)
Manuf (F)	13.9(11.8)	2.31(1.9)	14.9(12.1)	3.66(3.2)	22/2	5.6(5.2)
Irish Linen Exporter (1)	58.4(47.7)	4.8(2.4)	14.75(16.40)	(—)	—	(—)
May & Hassell (1)	25.6(22.0)	0.90(0.24)	12.5(15.58)	5(4.2)	—	2.3(2.1)
Martin News (F)	64.9(56.3)	2.2(2.1)	—	0.93(0.84)	6/2	3.7
NMC Inv (1)	0.07(0.02)	—	4.4(2.2)	—	16/2	6.6(4.2)
Ocean Bldgs (F)	0.93(0.18)	0.24(0.018)	3.2a(0.67a)	(—)	—	(—)
Oliver Rix (F)	25.6(26.9)	0.13(0.07)	1.0(1.6)	0.5(0.4)	—	(—)
Rowlinson (F)	6.5(5.3)	0.04(0.02)	0.9(0.86c)	0.7(0.66)	12/1	(—)
Shetl & Bratt (F)	23.1(18.7)	18.3(23.5)	5(5)	5.0(2.0)	—	12.5(12.5)
J. Waddington (1)	2.3(2.2)	2.3(2.0)	—	0.86(1.05)	—	4.2
Ward & Gold (1)	29.2(23.3)	1.21(0.01)	—	—	—	—

Dividends in this table are shown on a gross basis. To establish gross multiply the net dividend by 1.515. Profits are shown

on the cost of tax on pence per share. Elsewhere in Business News dividends

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Lucas delay on £137m investment

By Clifford Webb

The recent ten-week strike by tool makers cost the Lucas group £1m in profits and, as a result, the board has to delay a £137m capital investment programme originally planned for 1978.

Announcing this at the annual meeting in Birmingham yesterday, Mr Bernard Scott, chairman, said the strike for the restoration of wage differentials had been a severe blow. But he was hopeful that the damage might be recovered later this year overall. This was dependent on many factors and meanwhile the investment programme would have to be delayed. He stressed that this did not mean that expansion and modernization projects had been abandoned.

Among the projects which will be pushed through is the drive to increase Lucas sales in America. A new £1.5m head-quarters has just been opened in Detroit and a new CA diesel injection factory is being built in South Carolina to meet the boom in diesel-engined transport.

Referring to big contracts now being negotiated in Detroit, Mr Scott believed the world's richest market was ripe for development by the British group.

He pointed out that Lucas sales in America were still only one-fifth of their European sales.

Mr Scott told Business News: "I cannot say what the loss in turnover was as a result of the strike but it was many times the £1m drop in projected profits for the first half of this year (August, 1977, to July, 1978). Wherever possible we shall ensure that investment plans related to customer contracts are maintained. This could mean that we shall have to delay such things as the replacement of old plant by new.

He said he hoped for new American business included automotive electrics as well as diesel injection and aerospace equipment.

In reply to the recent allega-

Safeway tills ring out on buoyant trading

By Our Financial Staff

Stepping out of line with many supermarket and food retailing groups whose recent reports have failed to meet market expectations, Safeway Foods Stores turned in a healthy 7.5 per cent profit increase for the year to October 1.

On sales up 23 per cent from £150m to £185m, the group turned in pre-tax profits of £5.3m against a previous £3.4m.

Although pre-tax margins in the period widened a point to 3.2 per cent the group will have to work hard to hold the improvement in the current year.

Mr Terence Spratt, chairman and managing director, reports that margins are already being trimmed as a result of the High Street price cuts following the change in pricing policy at Tesco Stores. "This severe competition continues to trim margins and demands even greater efficiency in all areas of business," says the chairman.

And Safeway's growth in Britain has been rapid over the past seven years. In 1970 profits amounted to only £765,000, passing the £1m mark the following year and showing not so much as a hiccup since.

However, with the Tesco price bonanza going up in July, the growth rate in the current period could be slower as tighter margins begin to bite.

Glaxo stay cautious on US takeover finance

A cautious Mr Austin Bide, chairman of Glaxo, asked about the progress to date after yesterday's annual meeting, said: "Life gets more difficult and we just try to keep ahead of the game, but we are not doing too badly."

At the meeting Mr Bide was asked about the possibility of a dividend boost from the group which next year plans to take over the Meyer Pharmaceuticals business in the United States. But Mr Bide remained cautious as to how the group would finance its United States takeover. The board at present has not decided. It is not expected to complete the takeover of Sants in February.

The market was disappointed with the statement and the shares finished only 5p higher at 597p.

In reply to the recent allega-

tion of uncompetitive practice, Glaxo stated that the Sants area is served by at least five well-established wholesalers stocking the group's ethical pharmaceuticals which make deliveries several times a week to its pharmacist customers in general and hospital practice.

Glaxo says this pattern of distribution is quite adequate and that the services of an additional wholesaler in the Stoke-on-Trent area would provide material benefit to Glaxo's customers or the group.

The suggestion that the opening of a branch of Vestric, a subsidiary of Glaxo, Sants alongside the established wholesaler in 1972 was intended to force Sants out of business was "totally incorrect". Plans to open a depot in the area were made some time before the Sants depot opened.

Mr Bide was asked about the acceptance of the offer for shares in Dover Engineering. Over at Brent Walker, Mr George Walker is fulfilling his stated aim of rebuilding his massive stake. He has just bought 22,500 ordinary shares at 6.83 per cent.

Stakeholders in Dover Engineering are to be split into two groups.

On September 30 the group turned in a profit of £133,000 last time, a deficit of £2m. In the six months to September 30 the group turned in £2.07m against a previous £1.7m, while the net asset value per share, after allowing for the conversion of part of the loan stock, rose from 18.3p to 24.5p. Profits in the period showed a deficit of £123,000 loss, against a deficit of £133,000 last time, a loss of £2m.

Ward & Goldstone, warning on phase III

In spite of the reduction of available work, Rowlinson Construction managed to increase its turnover but was unable to maintain its profit levels of previous years. In the current period pre-tax profits for the six months to September 30 rose from £60,000 to £64,000.

Meanwhile, the group is already receiving an increased number of tender inquiries from the Bristol and West Midland regions where it recently opened offices.

Half-time upturn at Rothschild Inv

Net revenue at Rothschild Investment Trust has climbed back to the 1974 interim level

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New outlets springboard for Martin's 36pc climb

By Alison Mitchell

A gloomy forecast from Monopoly-to-margarine tub manufacturer John Waddington sent the share price reeling in the London stock market yesterday. News that second-half results are likely to do little more than mark time knocked 22p off shares at one point leaving them only slightly better at the close, down 20p to 22p.

Profits hit £2.92m, which implies growth of 38.4 per cent on an annualised basis on a sales increase of 15 per cent to £44.96m (17.7 per cent annualised). Like NSS, Martin's drive has been fuelled by the opening of new stores during the year where the new branch total expanded by 23 to 458 outlets by early October.

Despite this hit, £2.92m, which implies growth of 38.4 per cent on an annualised basis on a sales increase of 15 per cent to £44.96m (17.7 per cent annualised). Like NSS, Martin's drive has been fuelled by the opening of new stores during the year where the new branch total expanded by 23 to 458 outlets by early October.

However, the group has allowed for a £520,000 depreciation on buildings against nil previously.

The joker in the pack this time round has been the games division. Demand from shopkeepers has been down following last year when they over-ordered in expectation of a bumper Christmas season and found themselves left with substantial stock.

Since these orders leave Waddington factories between

Waddington's share price reels on forecast

August and October, the first half is historically the main one for this division so the down turn is unlikely to affect second-half results, according to Mr Peter Stephens, company secretary.

It is the packaging side which will put the brake on future growth. The plastics division, which includes the manufacture of yoghurt and margarine tubs, is forging ahead and this improvement shows every sign of being maintained.

However, the cartons and labels business is not so healthy. Trade is falling off in line with the economy and Mr Stephens is doubtful if profits can continue in the present levels. Games are now showing a production schedule compared to the orders of the corresponding period last year.

In general, the group envisages doing no more than marking time in the second half but the £300,000 profit increase will be carried through to the year end. And for shareholders there is no interim dividend of 7.5p gross.

Since these orders leave Waddington factories between

Fall in timber price hits May & Hassell

By Michael Clark

A slump coupled with a fall in timber prices is strong while paper exporters' currencies are weak, says Mr John Atley, chairman, who points out that large stocks are universally held while world demand is still depressed.

The shares dropped 4p to 225p yesterday where pre-tax earnings of 1.515 per cent were reported.

Meanwhile, Mr B. H. S. Martin, chairman, is to hand over to Mr J. B. H. Martin at the end of March to become life president while remaining a director.

Oliver Rix comes back to profit

By Ashley Drucker

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The Times Reader Services Directory

The who's who of what's where

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A.F. International Translation Services Ltd., 223 Cricklewood Broadway, NW1 8EP. Tel. 01-502 5252.

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Cloud Industrial, 24 hr. Service, Freefone 3084, H.O. Marlow 71312.

Commercial Resources Ltd., 100-102 37th Avenue Rd., S.W.19, 01-947 1875.

Company Searches—Baron Warren, 46 Delancey St., N.Y.C. 100-12.

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struggling for enough superlatives. Even News at Ten finds itself

displaced by half an hour. Praise indeed.

Admittedly it faces strong opposition in the form of

Lady Antonia Fraser's first play, Charades—the story of strange

relationships and skeletons in the family cupboard. I.R.R.

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9pm. **ITV** News. 1.00. Pebble

Mill. 1.15. How Do You

Do? 3.45. The Big C. 3.45.

4.45. Jackanory. 4.40. Animal

Magic. 5.05. John Craven. 5.10.

6.40. News. 5.55. Nationwide.

6.40. One More Time.

7.10. The Oregon Trail.

8.00. Come Back Mrs. Noah,
with Mollie Sugden, Ian

8.30. Mastermind.

9.00. News.

9.25. Play: Charades, by

Antonia Fraser.

10.20. Brighten Up, Britain's

Europe. Tel: 01-994 3077.

11.30. Weather.

12.00. News.

12.15. News.

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9.00. News.

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9.30. News.

9.45. News.

10.00. News.

10.15. News.

10.30. News.

10.45. News.

11.00. News.

11.15. News.

11.30. News.

11.45. News.

12.00. News.

12.15. News.

12.30. News.

12.45. News.

1.00. News.

1.15. News.

1.30. News.

1.45. News.

2.00. News.

